

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended  
June 30, 2011**



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 12, 2011**

**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, 2011, 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, 2011 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, 2011 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, 2011. 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 financial statements include all funds of Granville County, including all activities 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 of Granville County, as well as its component units. Component units are legally separate entities for which Granville County is financially accountable.

Proprietary funds are used to account for a government’s continuing business-type organizations and activities. The Granville County Board of Alcoholic Beverage Control and Granville Health Systems are component units of the County and are presented as proprietary funds. Most of the generally accepted accounting principles of proprietary funds are those applicable to similar private businesses.

### **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 Commercial Solutions, N T Techno, Certainteed, Altec, CMP USA, Shalag, 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 2010 the unemployment rate was 10.0% and is currently at 9.8%.

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. The annual appropriations 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 schedule has eliminated the need for short term leasing of rolling stock.

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, 2010. This was the twelfth 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, 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,

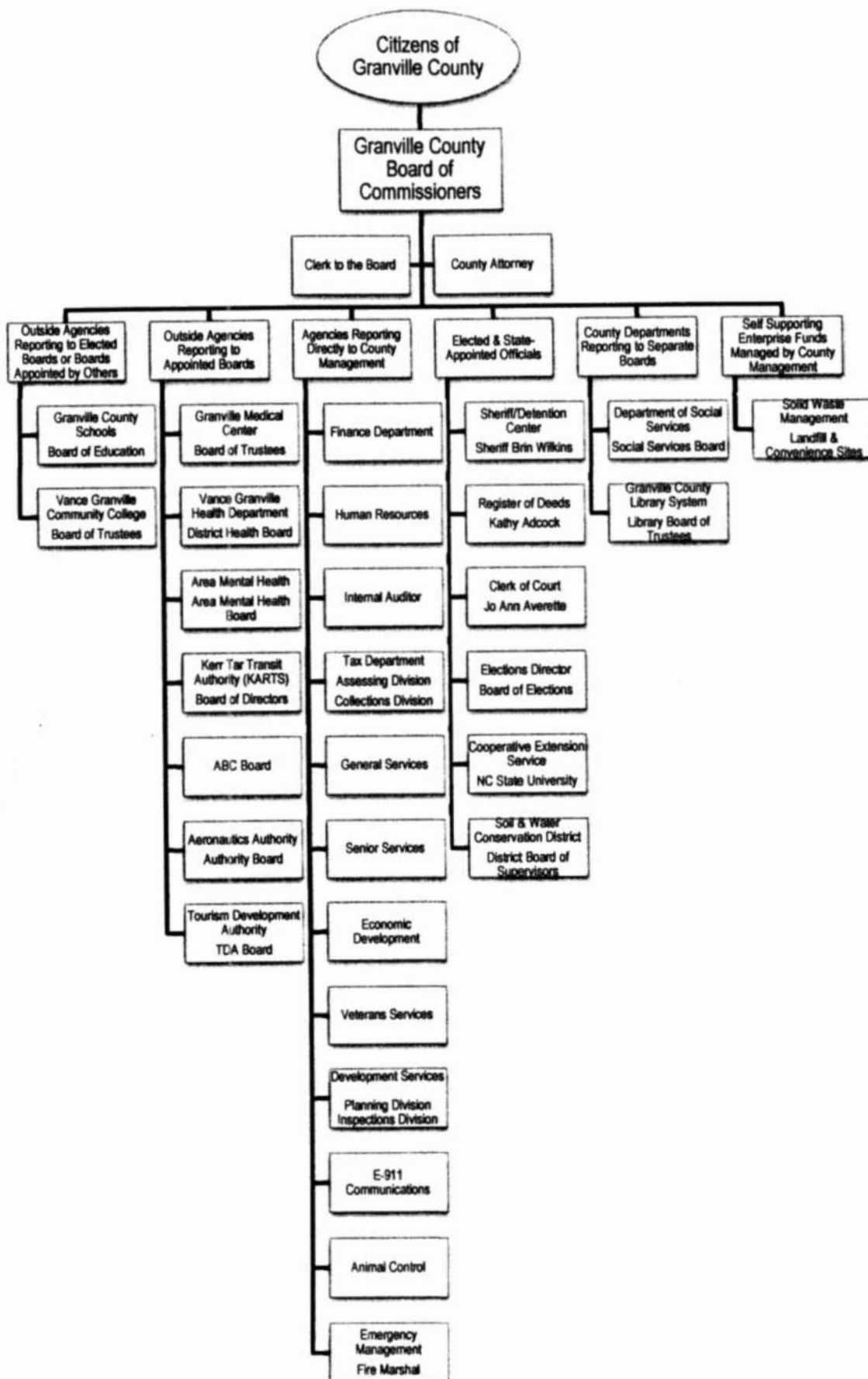
*Brian M. Alligood*

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, 2011**

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**Board of County  
Commissioners**

R. David Currin, Jr., Chairperson  
Hubert L. Gooch, Jr., Vice-Chairperson  
Tony W. Cozart  
Zelodis Jay  
Timothy Karan  
David T. Smith  
Edgar Smoak

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  
Jay Johnson  
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, 2010

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  
Carleen P. Evans, CPA

Jennifer T. Reese, CPA  
Curtis G. Van Horne, CPA  
Cathy E. McKinley, CPA  
Thomas F. Edmunds IV, CPA  
Leah P. Englebright, CPA  
James C. Lamb, CPA  
Tara H. Roberson, CPA

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## 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, 2011, 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. 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, is based solely on the report 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 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 report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison of the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2011, 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

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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, and 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 12, 2011



## 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, 2011. 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

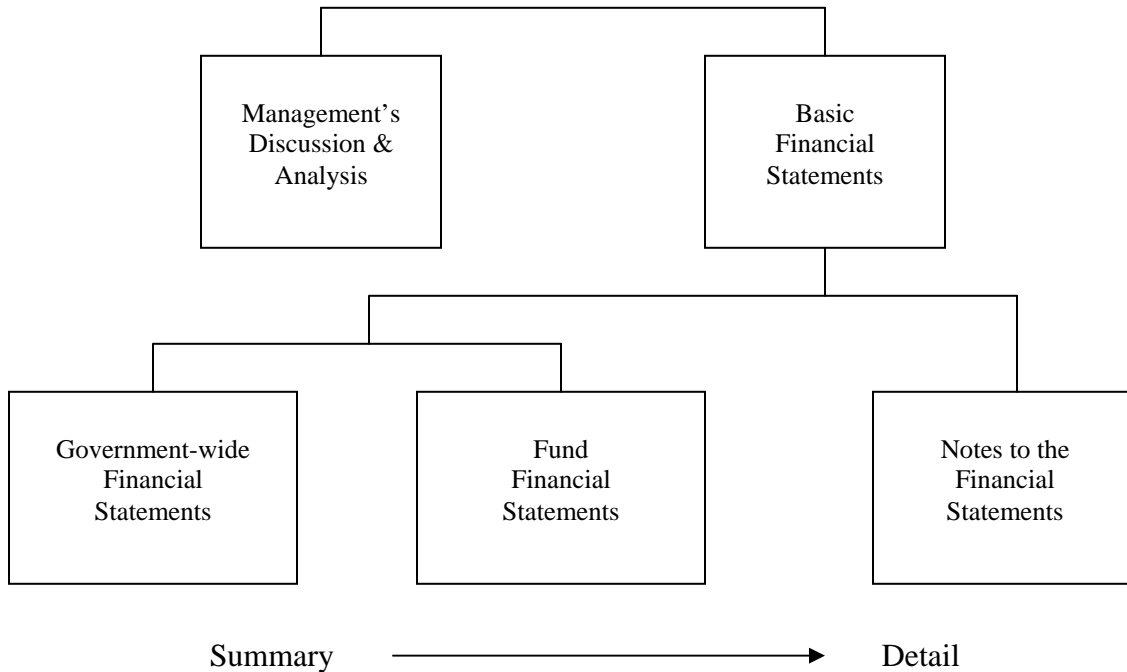
- The liabilities of Granville County exceeded its assets at the close of the fiscal year by \$8,236,615 (*net assets*).
- The primary government's total liabilities increased by \$12,837,255 when compared with the previous fiscal year. This increase resulted primarily from the issuance of public library facility related debt.
- At the end of the current fiscal year, Granville County's governmental funds reported combined ending fund balances of \$35,189,091 a decrease of \$631,571 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$19,324,317, or thirty-nine percent (39.3%) of total general fund expenditures for the fiscal year.
- Granville County's total debt increased by \$12,284,965 during the current fiscal year. This net increase results from the issue of \$10,785,000 of Revenue Zone Economic Development Bonds (RZEBs) and \$5,215,000 of Qualified School Construction Bonds (QSCBs) both issued for school construction and the reduction of existing debt of \$3,715,035.

#### 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 gauge 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 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 \$8,236,615 as of June 30, 2011. The County's net assets decreased by \$4,884,490 for that same time period.

After netting out the expenses for new school construction during the fiscal year 2010-2011, the County was able to maintain a fairly consistent total level of governmental activities when compared to the previous year. Total governmental expenses in 2010-2011 were \$54,554,786 and total governmental expenses in 2009-2010 were \$47,466,814. The issuance of debt and expenses for the construction of the Tar River Elementary School is the primary driver for the decrease in net assets.

The County increased the overall debt as of June 30, 2011 when compared to the previous year by \$12,837,255 impacting the primary government total liability. This net increase resulted from the issuance of \$16,000,000 in RZEBs and QSCBs for school construction and the principal reduction of other previous debt issues.

## Granville County's Net Assets

**Figure 2**

	Activities		Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 41,073,537	\$ 40,878,297	\$ 5,917,556	\$ 2,962,617	\$ 46,991,093	\$ 43,840,914
Capital assets	23,611,028	17,978,718	1,289,341	1,300,529	24,900,369	19,279,247
Total assets	\$ 64,684,565	\$ 58,857,015	\$ 7,206,897	\$ 4,263,146	\$ 71,891,462	\$ 63,120,161
Long-term liabilities outstanding	\$ 70,320,725	\$ 57,495,542	\$ 6,542,005	\$ 6,529,933	\$ 76,862,730	\$ 64,025,475
Other liabilities	3,149,105	2,321,328	116,242	125,485	3,265,347	2,446,813
Total liabilities	\$ 73,469,830	\$ 59,816,870	\$ 6,658,247	\$ 6,655,418	\$ 80,128,077	\$ 66,472,288
Net assets:						
Invested in capital assets, net						
of related debt	\$ 13,168,461	\$ 7,040,787	\$ 1,289,341	\$ 1,300,529	\$ 14,457,802	\$ 8,341,316
Restricted	13,824,466	13,017,754	-	-	13,824,466	13,017,754
Unrestricted	(35,778,192)	(21,018,396)	(740,691)	(3,692,801)	(36,518,883)	(24,711,197)
Total net assets	\$ (8,785,265)	\$ (959,855)	\$ 548,650	\$ (2,392,272)	\$ (8,236,615)	\$ (3,352,127)

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 96.22% to 97.18%. The overall collections for current year's taxes increased by \$1,454,011.
- Sales tax revenues decreased approximately \$985,802, due to economic conditions in the County and State legislative changes that adjusted distribution methods to portions of approved sales taxes.
- The expense of bond proceeds and the increase to long-term liabilities have a significant impact on the unrestricted net assets since the County does not retain the school facility assets on their financial statements.
- 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 \$6,487,625 to be expended over the next 27 years.



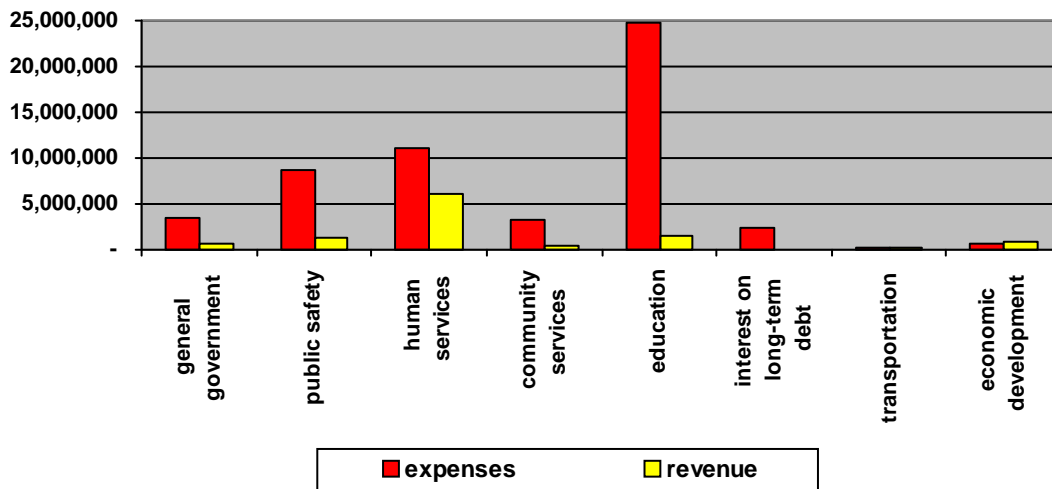
**Granville County's Changes in Net Assets**  
**Figure 3**

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues:						
Charges for services	\$ 3,014,768	\$ 3,362,208	\$ 1,680,396	\$ 1,527,300	\$ 4,695,164	\$ 4,889,508
Operating grants and contributions	7,863,984	7,388,550	-	-	7,863,984	7,388,550
Capital grants and contributions	198,058	1,557,677	4,137	-	202,195	1,557,677
General revenues:						
Property taxes	31,614,844	30,260,553	-	-	31,614,844	30,260,553
Other taxes	6,505,406	6,438,242	-	-	6,505,406	6,438,242
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Other	506,086	18,989	3,864	5,522	509,950	24,511
Total revenues	49,703,146	49,026,219	1,688,397	1,532,822	51,391,543	50,559,041
Expenses:						
General government	3,557,567	4,318,453	-	-	3,557,567	4,318,453
Public safety	8,745,611	11,838,566	-	-	8,745,611	11,838,566
Transportation	161,525	161,465	-	-	161,525	161,465
Economic and physical development	560,181	1,142,750	-	-	560,181	1,142,750
Human services	11,189,177	9,883,423	-	-	11,189,177	9,883,423
Community services	3,219,464	2,889,358	-	-	3,219,464	2,889,358
Education	24,697,465	15,247,427	-	-	24,697,465	15,247,427
Interest on long-term debt	2,423,796	1,985,372	-	-	2,423,796	1,985,372
Landfill	-	-	1,721,247	2,088,641	1,721,247	2,088,641
Other	-	-	-	-	-	-
Total expenses	54,554,786	47,466,814	1,721,247	2,088,641	56,276,033	49,555,455
Increase (decrease) in net assets before transfers and special items	(4,851,640)	1,559,405	(32,850)	(555,819)	(4,884,490)	1,003,586
Transfers	(2,973,770)	-	2,973,770	-	-	-
Increase (decrease) in net assets	(7,825,410)	1,559,405	2,940,920	(555,819)	(4,884,490)	1,003,586
Net assets, beginning	(959,855)	(2,519,260)	(2,392,270)	(1,836,453)	(3,352,125)	(4,355,713)
Net assets, ending	\$ (8,785,265)	\$ (959,855)	\$ 548,650	\$ (2,392,272)	\$ (8,236,615)	\$ (3,352,127)

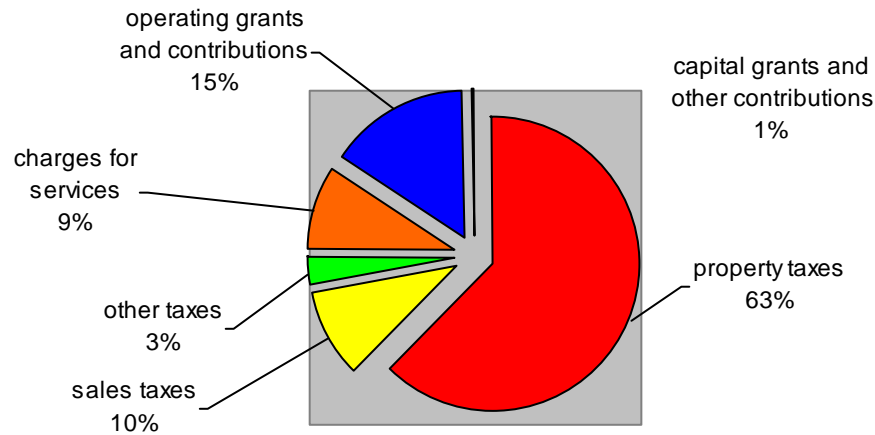
**Governmental activities.** Governmental activities decreased the County's net assets by \$7,825,410. Key elements of the decrease in Governmental activities net assets are as follows:

- In fiscal year 2009-2010, Granville County completed its' octennial revaluation resulting in a fairly revenue neutral tax rate change from 75.5 cents to 79.5 cents which allowed for normal growth as averaged over the eight year period. This coupled with increased tax collection efforts resulted in a tax collection increase of \$1,454,011.
- Expenses for education increased \$9,450,038 due to the construction of the Tar River Elementary School in the southern end of the County.
- Changes in operations such as transferring the Emergency Medical Services (EMS) to the Granville Health System resulting in decrease in public safety and increases in Human Services along with other modest expenses helped to offset the impact of educational spending during the fiscal year.

**Expenses and Program Revenues – Governmental Activities**



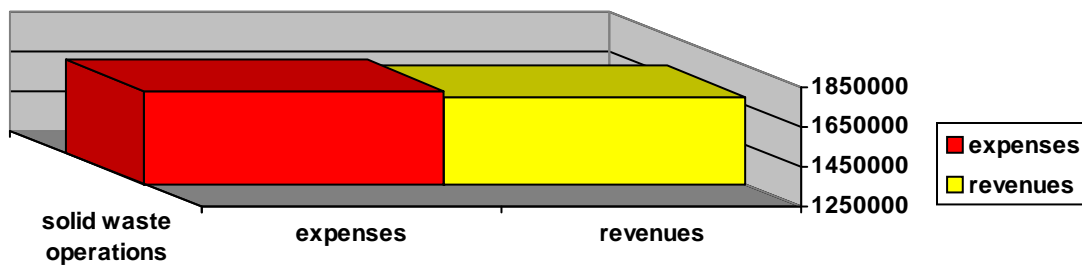
## Revenues by Source – Governmental Activities



**Business-type activities.** The increase in net assets attributable to business-type activities had the most significant impact on Granville County's net assets. The total increase in net assets by Business Activities totaled \$2,940,920. Key elements of this increase 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.
- Transfer from the General Fund was a primary driver for the increase in net assets for fiscal year 2010-2011.
- Revenues for fiscal year 2010-2011 increased approximately 10% when compared to fiscal year 2009-2010.

## Fiscal Year 2010-2011 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, unassigned 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, unassigned fund balance of the General Fund was \$19,324,317 while total fund balance reached \$23,998,964. The remainder of fund balance, \$4,674,647 is either nonspendable, restricted, committed, or assigned and is not available for general appropriation. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 39.3 percent of total General Fund expenditures, while total fund balance represents 48.9 percent of that same amount.

The 2010 Southern Elementary School Project Fund is the other major fund for Granville County. At the end of the current fiscal year, all fund balance totaling \$5,993,606 for this fund is restricted for school capital outlay. This fund had an increase in fund balance for the current fiscal year in the amount of \$6,055,847 mainly due to issuance of debt that is not yet spent.

At June 30, 2011, the governmental funds of Granville County reported a combined fund balance of \$35,189,091, a 2 percent decrease from last year. The primary reason for this decrease was expenditures for education. In preparing for fiscal year 2011-2012, the Granville County Board of Commissioners took a conservative approach to the budget and appropriated \$768,172 of fund balance for the General Fund to balance the 2011-2012 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 \$4,683,435.

The County overestimated sales and other tax revenue by a combined total of \$590,546, approximately 10%. Economic conditions and State legislative changes effecting sales tax distributions in 2010-2011 provided challenges to calculating accurate estimates for

sales tax proceeds, and occupancy taxes took a significant drop in the final quarter of the fiscal year.

Also, the County overestimated the amount of investments earnings by \$8,440. However, the total net revenues for the General Fund were within 1.5% of the final budgeted estimates for the year.

**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 \$(740,691). The total change in net assets for the fund was \$2,940,920. This change in net assets primarily results from the transfer of funds from the General Fund for landfill expansion to begin construction in 2012.

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

**Capital Assets.** Granville County's capital assets for its governmental and business-type activities as of June 30, 2011 totals \$24,900,369 (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 \$4,550,746.
- New vehicles and equipment were purchased primarily in the Public Safety Departments.
- Renovations were completed to the County's historic courthouse.
- Engineering, planning, and permitting work began on a landfill construction/expansion in fiscal year 2009-2010 and continues in fiscal year 2010-2011. Construction is currently scheduled to begin in 2012.
- Purchase of the Southern Livestock arena and planning for its renovation into the Granville Convention and Expo Center began in fiscal year 2010-2011.

**Granville County's Capital Assets**  
**(net of depreciation)**  
**Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 1,046,618	\$ 806,618	\$ 1,020,695	\$ 1,020,695	\$ 2,067,313	\$ 1,827,313
Buildings	9,667,433	7,249,197	854	1,094	9,668,287	7,250,291
Improvements other than buildings	4,788,551	6,675,841	260,913	270,802	5,049,464	6,946,643
Machinery and equipment	947,447	636,829	6,879	7,938	954,326	644,767
Construction in progress	7,160,979	2,610,233	-	-	7,160,979	2,610,233
Total	\$ 23,611,028	\$ 17,978,718	\$ 1,289,341	\$ 1,300,529	\$ 24,900,369	\$ 19,279,247

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 2011, Granville County had total bonded debt outstanding of \$46,110,000, all of which is debt backed by the full faith and credit of the County.

**Granville County's Outstanding Debt**  
**General Obligation Bonds**  
**Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 46,110,000	\$ 49,345,000	\$ -	\$ -	\$ 46,110,000	\$ 49,345,000

Granville County's total general obligation debt decreased by \$3,235,000 (6.6 percent) during fiscal year 2010-2011 as a result of 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 \$263,413,795, 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 10.5%, slightly higher than the state average of 10.4%, as of August 2011. 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 2010-2011 were \$234,782,071, slightly up from taxable sales in fiscal year 2009-2010 of \$219,214,759.
- Shalag Industries Ltd., an international supplier of nonwoven fabrics used in the hygiene and wipes markets, opened a new plant in Granville County. The company invested more than \$17 million and created 40 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 continuing to work with three of its neighboring counties on the development of the Triangle North industrial parks. The 525-acre Triangle North Granville Business Park is currently being marketed.

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

**Governmental Activities:** The approved budget for fiscal year 2011-2012 maintains the tax rate of 79.5 cents. A "neutral property tax calculation" rate, as defined by the North Carolina General Statutes, is required to be published in a revaluation year. Fiscal year 2010-2011 was the first year under the 2010 revaluation project. This rate was 79.67 cents. The tax base is projected to provide revenues of \$30,379,470 when calculated with the current collection percentage rate. The total projected assessed valuation for the County is \$3,971,437,370 for fiscal year 2011-2012.

Budgeted expenditures for fiscal year 2011-2012 in the General Fund reflect a decrease from the previous fiscal year amended budget of 11.1%. 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 2011-2012 budget appropriates \$768,172 of available fund balance, to balance the general fund budget. Total revenues, excluding appropriated fund balance, reflect a decrease of approximately 8.3% from the previous year amended budget.

**Business-type Activities:** The budget for the operation of the solid waste activities reflects a 4.6% decrease in operating expenditures due primarily to reductions in service contracts and capital outlay expenses. 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, 2011**

	Primary Government			Component Units			
	Governmental Activities	Business-type Activities	Total	Granville Medical Center	Granville County ABC Board	Granville County Tourism Development Authority	South Granville Memorial Gardens
<b>ASSETS</b>							
Cash and cash equivalents	\$ 23,974,205	\$ 2,801,771	\$ 26,775,976	\$ 731,933	\$ 787,815	\$ 236,103	\$ 164,644
Taxes receivable	2,306,525	-	2,306,525	-	-	-	-
Accrued interest receivable	552,038	-	552,038	-	-	-	-
Accounts receivable	2,871,384	168,989	3,040,373	14,577,094	648	-	16,743
Inventories	-	-	-	1,038,198	138,850	-	2,688
Prepaid items	4,000	-	4,000	226,550	9,624	-	-
Due from governmental uni	-	-	-	-	-	16,152	-
Restricted assets:							
Cash and cash equivalents	10,529,528	2,946,796	13,476,324	-	-	-	100,000
Assets whose use is limited	-	-	-	11,326,892	-	-	-
Goodwill	-	-	-	740,005	-	-	-
Investment in affiliated organization	-	-	-	-	-	-	-
Deferred charges-issuance costs	344,369	-	344,369	-	-	-	-
Deferred charges-refunding costs	491,488	-	491,488	-	-	-	-
Capital assets							
Land, improvements, and construction in progress	8,207,597	1,020,695	9,228,292	2,721,470	110,877	-	39,534
Other capital assets, net of depreciation	15,403,431	268,646	15,672,077	12,778,551	163,879	-	-
Total capital assets	23,611,028	1,289,341	24,900,369	15,500,021	274,756	-	39,534
Total Assets	\$ 64,684,565	\$ 7,206,897	\$ 71,891,462	\$ 44,140,693	\$ 1,211,693	\$ 252,255	\$ 323,609
<b>LIABILITIES</b>							
Accounts payable & accrued liabilities:	\$ 2,047,476	\$ 116,242	\$ 2,163,718	\$ 6,185,592	\$ 262,214	\$ 26	\$ -
Accrued interest payable	433,665	-	433,665	-	-	-	-
Unearned revenues	126,397	-	126,397	-	-	-	600
Due to fiduciary funds	16,153	-	16,153	-	-	-	-
Long-term liabilities:							
Due within one year							
Bonds payable	3,225,000	-	3,225,000	-	-	-	-
Notes and COPS payable	872,861	-	872,861	704,950	-	-	-
Compensated absences payable	186,626	3,189	189,815	1,850,767	-	-	-
Due in more than one year							
Bonds payable	43,410,414	-	43,410,414	-	-	-	-
Notes and COPS payable	19,117,235	-	19,117,235	2,236,005	-	-	-
Accrued landfill closure and postclosure costs	-	6,487,625	6,487,625	-	-	-	-
Compensated absences payable	559,879	9,568	569,447	-	-	-	-
Other postemployment benefits obligation	3,017,781	41,623	3,059,404	-	24,680	-	-
Net pension obligation	456,343	-	456,343	-	-	-	-
Total long-term liabilities	70,846,139	6,542,005	77,388,144	4,791,722	24,680	-	-
Total Liabilities	73,469,830	6,658,247	80,128,077	10,977,314	286,894	26	600
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	13,168,461	1,289,341	14,457,802	12,559,066	274,756	-	39,534
Restricted for:							
Stabilization by State Statute	2,871,384	-	2,871,384	-	-	16,152	16,743
Register of Deeds	12,748	-	12,748	-	-	-	-
Public Safety	1,258,838	-	1,258,838	-	-	-	-
Education	5,993,606	-	5,993,606	-	-	-	-
Community Services	3,687,890	-	3,687,890	-	-	-	-
Hospital	-	-	-	268,848	-	-	-
Working Capital	-	-	-	-	88,646	-	-
Cemetery Perpetual Care and Maintenance	-	-	-	-	-	-	100,000
Tourism Related Capital Development	-	-	-	-	-	13,052	-
Unrestricted (deficit)	(35,778,192)	(740,691)	(36,518,883)	20,335,465	561,397	223,025	166,732
Total Net Assets	\$ (8,785,265)	\$ 548,650	\$ (8,236,615)	\$ 33,163,379	\$ 924,799	\$ 252,229	\$ 323,009
Total Liabilities and Net Assets	\$ 64,684,565	\$ 7,206,897	\$ 71,891,462	\$ 44,140,693	\$ 1,211,693	\$ 252,255	\$ 323,609

**GRANVILLE COUNTY, NORTH CAROLINA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011**

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 County Tourism Development Authority	South Granville Memorial Gardens
Primary Government:											
Governmental Activities:											
General government	\$ 3,557,567	\$ 394,790	\$ 149,436	\$ -	\$ (3,013,341)	\$ -	\$ (3,013,341)				
Public safety	8,745,611	621,263	678,364	-	(7,445,984)	-	(7,445,984)				
Transportation	161,525	-	261,137	-	99,612	-	99,612				
Economic and physical development	560,181	17,800	738,449	108,058	304,126	-	304,126				
Human services	11,189,177	299,919	5,868,017	-	(5,021,241)	-	(5,021,241)				
Community services	3,219,464	192,996	168,581	90,000	(2,767,887)	-	(2,767,887)				
Education	24,697,465	1,488,000	-	-	(23,209,465)	-	(23,209,465)				
Interest on long-term debt	2,423,796	-	-	-	(2,423,796)	-	(2,423,796)				
Total governmental activities	54,554,786	3,014,768	7,863,984	198,058	(43,477,976)	-	(43,477,976)				
Business-type activities:											
Solid Waste	1,721,247	1,680,396	-	4,137	-	(36,714)	(36,714)				
Total business-type activities	1,721,247	1,680,396	-	4,137	-	(36,714)	(36,714)				
Component units:											
Granville Medical Center	50,452,911	52,577,379	434,856	132,873	-	-	-	2,692,197	-	-	-
Granville County ABC Board	3,052,795	2,982,215	-	-	-	-	-	-	(70,580)	-	-
Granville County Tourism Development Authority	140,610	-	-	-	-	-	-	-	-	(140,610)	-
South Granville Memorial Gardens	49,523	53,624	-	-	-	-	-	-	-	-	4,101
Total component units	\$ 53,695,839	\$ 55,613,218	\$ 434,856	\$ 132,873	\$ -	\$ -	\$ -	\$ 2,692,197	\$ (70,580)	\$ (140,610)	\$ 4,101
General revenues:											
Taxes:											
Property taxes, levied for general purpose					\$ 31,614,844	\$ -	\$ 31,614,844	\$ -	\$ -	\$ -	\$ -
Local option sales tax					4,929,327	-	4,929,327	-	-	-	-
Other taxes					1,576,079	-	1,576,079	-	-	185,671	-
Investment earnings, unrestricted					127,862	3,864	131,726	79,811	2,482	871	647
Miscellaneous, unrestricted					378,224	-	378,224	-	5,484	-	-
Transfers					(2,973,770)	2,973,770	-	-	-	-	-
Total general revenues, special items and transfers					35,652,566	2,977,634	38,630,200	79,811	7,966	186,542	647
Change in net assets					(7,825,410)	2,940,920	(4,884,490)	2,772,008	(62,614)	45,932	4,748
Net assets - beginning					(959,855)	(2,392,270)	(3,352,125)	30,391,371	987,413	206,297	318,261
Net assets - ending					\$ (8,785,265)	\$ 548,650	\$ (8,236,615)	\$ 33,163,379	\$ 924,799	\$ 252,229	\$ 323,009

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, 2011**

	Major		Nonmajor	Total
	General	2010 Southern Elementary School Project Fund	Other Governmental Funds	Governmental Funds
	Fund			
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 22,116,579	\$ -	\$ 1,857,626	\$ 23,974,205
Restricted cash	110,870	6,614,395	3,804,263	10,529,528
Taxes receivable	2,306,525	-	-	2,306,525
Accounts receivable	2,831,605	-	39,779	2,871,384
Prepaid items	4,000	-	-	4,000
Total Assets	<u>\$ 27,369,579</u>	<u>\$ 6,614,395</u>	<u>\$ 5,701,668</u>	<u>\$ 39,685,642</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable & accrued liabilities	\$ 921,540	\$ 620,789	\$ 505,147	\$ 2,047,476
Unearned revenues	126,397	-	-	126,397
Deferred revenues	2,306,525	-	-	2,306,525
Due to other funds	16,153	-	-	16,153
Total Liabilities	<u>3,370,615</u>	<u>620,789</u>	<u>505,147</u>	<u>4,496,551</u>
Fund balances:				
Nonspendable:				
Prepaid items	4,000	-	-	4,000
Restricted:				
Stabilization by State Statute	2,831,605	-	39,779	2,871,384
Register of Deeds	12,748	-	-	12,748
School Capital Outlay	-	5,993,606	-	5,993,606
Recreation	-	-	67,752	67,752
Library	-	-	3,620,138	3,620,138
Public Safety	-	-	1,258,838	1,258,838
Committed:				
Tax Revaluation	98,122	-	-	98,122
Economic and physical development	-	-	210,014	210,014
Assigned:				
Subsequent year's expenditures	768,172	-	-	768,172
Economic and physical development	960,000	-	-	960,000
Unassigned:	<u>19,324,317</u>	<u>-</u>	<u>-</u>	<u>19,324,317</u>
Total Fund Balances	<u>23,998,964</u>	<u>5,993,606</u>	<u>5,196,521</u>	<u>35,189,091</u>
Total Liabilities and Fund Balances	<u>\$ 27,369,579</u>	<u>\$ 6,614,395</u>	<u>\$ 5,701,668</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, 2011**

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

Total equity and other credits (Exhibit 4)	\$ 35,189,091
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	23,611,028
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	1,387,895
Liabilities for earned but deferred revenues in the fund statements	2,306,525
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	<u>(71,279,804)</u>
Net assets of governmental activities (Exhibit 1)	<u><u>\$ (8,785,265)</u></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, 2011**

	Major		Nonmajor	Total
	General	2010 Southern	Other	Governmental
	Fund	Elementary	Governmental	Governmental
		School Project Fund	Funds	Funds
<b>REVENUES</b>				
Ad valorem taxes	\$ 31,596,349	\$ -	\$ -	\$ 31,596,349
Sales and other taxes	5,432,983	-	-	5,432,983
Licenses, fees and other revenues	1,824,726	-	-	1,824,726
Restricted intergovernmental revenues	10,666,209	-	585,407	11,251,616
Investment earnings	83,560	31,733	12,569	127,862
Miscellaneous	362,271	4,100	4,818	371,189
Total Revenues	49,966,098	35,833	602,794	50,604,725
<b>EXPENDITURES</b>				
Current				
General government	2,670,103	-	-	2,670,103
Public safety	8,131,324	-	283,353	8,414,677
Community Services	3,535,941	-	4,915	3,540,856
Economic and physical development	-	-	108,058	108,058
Human services	10,683,498	-	-	10,683,498
Non-Departmental & Special Areas	2,456,295	-	-	2,456,295
Capital Outlay	-	-	4,637,671	4,637,671
Intergovernmental				
Education	14,953,269	9,744,879	-	24,698,148
Debt Service				
Bond issuance cost	-	235,107	-	235,107
Principal	4,213,581	-	111,500	4,325,081
Interest	2,462,960	-	30,072	2,493,032
Total Expenditures	49,106,971	9,979,986	5,175,569	64,262,526
Revenues Over (Under) Expenditures	859,127	(9,944,153)	(4,572,775)	(13,657,801)

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, 2011**

	Major		Nonmajor	Total
	General	2010 Southern Elementary School Project Fund	Other Governmental Funds	Governmental Funds
	Fund			
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers from other funds	902,711	-	2,036,405	2,939,116
Transfers to other funds	(2,036,405)	-	(3,876,481)	(5,912,886)
Issuance of debt	-	16,000,000	-	16,000,000
Total Other Financing Sources (Uses)	(1,133,694)	16,000,000	(1,840,076)	13,026,230
Net Change in Fund Balances	(274,567)	6,055,847	(6,412,851)	(631,571)
Fund Balance - July 1	24,273,531	(62,241)	11,609,372	35,820,662
Fund Balance - June 30	<u>\$ 23,998,964</u>	<u>\$ 5,993,606</u>	<u>\$ 5,196,521</u>	<u>\$ 35,189,091</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, 2011**

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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)	\$ (631,571)
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	5,632,310
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	18,495
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.	(12,002,008)
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>(842,636)</u>
Total changes in net assets of governmental activities (Exhibit 2)	<u><u>\$ (7,825,410)</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, 2011**

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
<u>REVENUES</u>				
Ad valorem taxes	\$ 31,540,723	\$ 31,540,723	\$ 31,596,349	\$ 55,626
Sales and other taxes	5,507,468	6,023,529	5,432,983	(590,546)
Licenses, fees and other revenues	1,230,100	1,780,502	1,824,726	44,224
Restricted intergovernmental revenues	7,168,700	11,043,672	10,666,209	(377,463)
Investment earnings	350,000	92,000	83,560	(8,440)
Miscellaneous	230,000	230,000	362,271	132,271
Total Revenues	46,026,991	50,710,426	49,966,098	(744,328)
<u>EXPENDITURES</u>				
General government	2,806,715	2,932,882	2,670,103	262,779
Public safety	7,761,946	8,433,680	8,131,324	302,356
Community services	2,627,297	4,421,091	3,535,941	885,150
Human services	11,415,432	12,112,431	10,683,498	1,428,933
Non-departmental and special areas	1,930,299	3,505,025	2,456,295	1,048,730
Education	13,259,783	14,953,269	14,953,269	-
Contingency	180,000	10,781	-	10,781
Debt Service	1,044,809	12,196,471	6,676,541	5,519,930
Total Expenditures	41,026,281	58,565,630	49,106,971	9,458,659
Revenues Over (Under) Expenditures	5,000,710	(7,855,204)	859,127	8,714,331

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, 2011**

	General Fund			Variance with Final Positive (Negative)
	Original Budget	Final Budget	Actual	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers from other funds	-	1,944,742	1,944,738	(4)
Transfers to other funds	(5,871,240)	(2,036,405)	(2,036,405)	-
Proceeds from debt	-	-	-	-
Premium on debt	-	-	-	-
Payment to refunded bond escrow agent	-	5,519,850	-	(5,519,850)
Appropriated Fund Balance	870,530	2,427,017	-	(2,427,017)
Total Other Financing Sources (Uses)	(5,000,710)	7,855,204	(91,667)	(7,946,871)
Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	767,460	\$ 767,460
Fund Balance - July 1, as restated			23,231,504	
Fund Balance - June 30			\$ 23,998,964	
A legally budgeted Revaluation Fund and School Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Transfer out to General Fund from Revaluation Fund			(110)	
Transfer out to General Fund from School Capital Reserve Fund			(1,041,917)	
Fund Balance, Beginning, Revaluation Fund			110	
Fund Balance, Beginning, School Capital Reserve Fund			1,041,917	
			\$ 23,998,964	

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, 2011**

	<u>Major Fund</u>	
	<u>Solid Waste Management</u>	<u>Total Enterprise Funds</u>
<b><u>ASSETS</u></b>		
Current Assets:		
Cash and investments	\$ 2,801,771	\$ 2,801,771
Restricted cash	2,946,796	2,946,796
Accounts receivable	168,989	168,989
Total Current Assets	<u>5,917,556</u>	<u>5,917,556</u>
Noncurrent Assets:		
Capital assets:		
Land, improvements, and construction in progress	1,020,695	1,020,695
Other capital assets, net of depreciation	268,646	268,646
Total Noncurrent Assets	<u>1,289,341</u>	<u>1,289,341</u>
Total Assets	<u>\$ 7,206,897</u>	<u>\$ 7,206,897</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current Liabilities:		
Accounts Payable	\$ 116,242	\$ 116,242
Compensated absences payable	3,189	3,189
Total Current Liabilities	<u>119,431</u>	<u>119,431</u>
Noncurrent Liabilities:		
Accrued landfill closure and postclosure care costs	6,487,625	6,487,625
Other postemployment benefits	41,623	41,623
Compensated absences payable	9,568	9,568
Total Noncurrent Liabilities	<u>6,538,816</u>	<u>6,538,816</u>
Total Liabilities	<u>6,658,247</u>	<u>6,658,247</u>
Net Assets		
Invested in capital assets	1,289,341	1,289,341
Unrestricted	<u>(740,691)</u>	<u>(740,691)</u>
Total Net Assets	<u>\$ 548,650</u>	<u>\$ 548,650</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, 2011**

	Major Fund	
	Solid Waste Management	Total Proprietary Funds
OPERATING REVENUES		
Charges for services	\$ 1,680,396	\$ 1,680,396
Total operating revenues	<u>1,680,396</u>	<u>1,680,396</u>
OPERATING EXPENSES		
Landfill closure and postclosure	70,588	70,588
Solid waste operations	1,006,469	1,006,469
Landfill operations	633,002	633,002
Depreciation	11,188	11,188
Miscellaneous	-	-
Total operating expenses	<u>1,721,247</u>	<u>1,721,247</u>
OPERATING INCOME (LOSS)	<u>(40,851)</u>	<u>(40,851)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest and fees	-	-
Interest earned on investments	3,864	3,864
Total nonoperating revenues (expenses)	<u>3,864</u>	<u>3,864</u>
INCOME BEFORE TRANSFERS	<u>(36,987)</u>	<u>(36,987)</u>
Capital contributions	4,137	4,137
Transfers from other funds	2,973,770	2,973,770
Transfers to other funds	-	-
Total Transfers	<u>2,977,907</u>	<u>2,977,907</u>
CHANGE IN NET ASSETS	2,940,920	2,940,920
TOTAL NET ASSETS-BEGINNING	<u>(2,392,270)</u>	<u>(2,392,270)</u>
TOTAL NET ASSETS-ENDING	<u>\$ 548,650</u>	<u>\$ 548,650</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, 2011**

	<u>Major Fund</u>	
	<u>Solid Waste Management</u>	<u>Total Proprietary Funds</u>
Cash flows from operating activities:		
Cash received from customers	\$ 1,744,141	\$ 1,744,141
Cash paid for goods and services	(1,553,221)	(1,553,221)
Cash paid to employees for services	(158,144)	(158,144)
Net cash provided by operating activities	<u>32,776</u>	<u>32,776</u>
Cash flows from capital and related financing activities:		
Capital contributions	<u>4,137</u>	<u>4,137</u>
Cash flows from noncapital and related financing activities:		
Transfer-in	<u>2,973,770</u>	<u>2,973,770</u>
Cash flows from investing activities:		
Interest on investments	<u>3,864</u>	<u>3,864</u>
Net cash provided by investing activities	<u>3,864</u>	<u>3,864</u>
Net increase in cash and cash equivalents	<u>3,014,547</u>	<u>3,014,547</u>
Cash and cash equivalents, July 1	<u>2,734,020</u>	<u>2,734,020</u>
Cash and cash equivalents, June 30	<u>\$ 5,748,567</u>	<u>\$ 5,748,567</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ (40,851)	\$ (40,851)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	11,188	11,188
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	59,608	59,608
Increase (decrease) in accounts payable and accrued liabilities	(9,243)	(9,243)
Increase (decrease) in other postemployment benefits	9,044	9,044
Increase (decrease) in compensated absences payable	(2,534)	(2,534)
Increase (decrease) in landfill closure and postclosure costs	<u>5,564</u>	<u>5,564</u>
Total adjustments	<u>73,627</u>	<u>73,627</u>
Net cash provided by operating activities	<u>\$ 32,776</u>	<u>\$ 32,776</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, 2011**

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	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 52,533
Due from other fund	<u>16,153</u>
Total Assets	<u><u>\$ 68,686</u></u>
LIABILITIES AND NET ASSETS	
Liabilities:	
Miscellaneous liabilities	\$ 52,533
Due to component unit	<u>16,153</u>
Total Liabilities	<u><u>\$ 68,686</u></u>

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, 2011**

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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. Two component units of the County have no financial transactions or account balances; therefore, they are not presented in the basic financial statements. The other four 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 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

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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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, 2011, 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.

*Granville County Public Facilities Company*

Granville County Public Facilities Company (the “Company”) exists to assist the County in the financing of capital projects. The Company is governed by a three to nine-member board of commissioners, all of whom are appointed by the County Commissioners. The County can remove any commissioner of the Company with or without cause. The Company has no financial transactions or account balances; therefore, it is not presented in the combined financial statements. The Company 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 County Tourism Development Authority  
Post Office Box 1286  
Oxford, North Carolina 27565

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.

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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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. The Revaluation Fund and the School Capital Reserve Fund are legally budgeted funds under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, they are consolidated in the General Fund.

**2010 Southern Elementary School Project Fund.** This fund is used to account for the proceeds of bonds issued in 2010 for the construction of a school.

The County reports the following major enterprise fund:

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

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.

**Nonmajor Funds** – The County maintains eleven legally budgeted funds. The Emergency Telephone System Fund, CDBG Fund, and R. H. Thornton Library Memorial Fund are reported as nonmajor special revenue funds. The Capital Improvements Fund, Landfill Capital Reserve Fund, Expo and Conference Center Fund, Granville Greenway Project Fund and Library Expansion/Renovation Fund are reported as capital projects funds. The Revaluation Fund and School Capital Reserve Fund are consolidated in the General Fund in accordance with GASB statement No. 54.

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**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 non-operating revenues and expenses.

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

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

The County considers all revenues available if they are collected within 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 2010 through February 2011 apply to the fiscal year

**GRANVILLE COUNTY, NORTH CAROLINA  
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ended June 30, 2011. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

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

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

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

**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, 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, Expo and Conference Center 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 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 2010-2011 fiscal year as necessary. The budgetary amendments affected the following funds: General Fund, School Capital Reserve Fund, Revaluation Fund, Emergency Telephone System Fund, R. H. Thornton Library Memorial Fund, CDBG Fund, Landfill Capital Reserve Fund, Capital Improvements Fund, 2010 Southern Elementary School Project Fund, Library Renovation/Expansion Fund, Granville Greenway Project Fund, Expo and Conference Center 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 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

**GRANVILLE COUNTY, NORTH CAROLINA  
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Hospital, the ABC Board, 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 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 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 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 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. Restricted Assets**

The unexpended debt proceeds are classified as restricted assets in the capital projects funds because their use is completely restricted to the purpose for which the debt was originally issued. Money in the Tax Revaluation account is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150.

**4. Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2010. 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.

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**5. 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.

**6. 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.

**7. 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



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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.

**8. Long-Term Obligations**

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bond using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources. Bond premiums and discounts, as well as bond issuance costs, are recognized during the current period. The face amount of the debt issued and any related premiums are reported as other financing sources. Discounts on issuance are reported as other financing uses. Issuance costs are reported as a reduction of proceeds.

**9. 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, 2011 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.

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**10. Net Assets/Fund Balances**

**Net Assets**

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

**Fund Balances**

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

The governmental fund types classify fund balances as follows:

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

Prepays-portion of fund balance that is not an available resource because it represents the year-end balance of prepaids, which are not spendable resources.

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

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

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

Restricted for School Capital Outlay-portion of fund balance that is restricted by debt proceeds obtained to pay for school capital outlay.

Restricted for Library Capital Outlay-portion of fund balance that is restricted by debt proceeds obtained to pay for library capital outlay.

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

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

**Assigned Fund Balance**-portion of fund balance that the County's governing board has budgeted.

Assigned for Subsequent year's expenditures-portion of fund balance that is appropriated in the next year's budget that in not already classified in restricted or committed.

Assigned for Economic and physical development-portion of fund balance that has been budgeted by the board for the economic development incentives for various businesses.

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Assigned School Capital Outlay-portion of fund balance that has been budgeted by the board for future school capital construction.

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

The County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-city funds, and county funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it's in the best interest of the County.

**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 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 \$ (43,974,356) 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)	\$ 34,207,658
Less Accumulated Depreciation	<u>(10,596,630)</u>
Net capital assets	<u>23,611,028</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.	 552,038
 Deferred charges related to bonds issued – included on government-wide statements as these funds are not available and therefore deferred in the fund statements	 344,369
 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	 491,488
 Liabilities for revenue deferred but earned and therefore recorded in the fund statements but not the government-wide	 2,306,525

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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, COPS and installment financing	(66,100,096)
Compensated absences	(746,505)
Other postemployment benefits	(3,017,781)
Net pension obligation	(456,343)
Premium on bonds	(525,414)
Accrued interest payable	<u>(433,665)</u>

Total adjustment	<u>\$ (43,974,356)</u>
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2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

The government fund statement of revenues, expenditures, and changes in fund balances includes 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 \$ (7,193,839) 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	\$ 6,448,597
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	(816,287)
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	(16,000,000)
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	235,790
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	3,715,035
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	

**GRANVILLE COUNTY, NORTH CAROLINA  
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Amortization on deferred charges-issuance costs that is recorded in the statement of activities but not in the fund statements	(14,459)
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)	(233,349)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	33,379
Net pension obligation is accrued in the government-wide statements but not in the fund statements because they do not use current resources	(27,026)
Other postemployment benefits are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(546,571)
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 7-1-10	(2,343,681)
Recording of tax receipts deferred in the fund statements as of 6-30-11	2,306,525
Increase in accrued taxes receivable for year ended 6-30-11	<u>55,651</u>
Total adjustment	<u>\$ (7,193,839)</u>

**II. Detail Notes on All Funds**

**a. Assets**

**1. Deposits**

All of the County's, the Hospital's, the ABC Board'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 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 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 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 Tourism Development Authority, or the Memorial Gardens under the Pooling Method, the potential exists

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for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The County, the Hospital, the ABC Board, the Tourism Development Authority and the Memorial Gardens have no formal policies regarding custodial credit risk for deposits.

At June 30, 2011, the County's deposits had a carrying amount of \$20,760,017 and a bank balance of \$20,912,179. Of the bank balance, \$521,451 was covered by federal depository insurance, and \$20,390,728 in interest bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2011, Granville County had \$1,525 cash on hand.

At June 30, 2011, the carrying amount of deposits for Granville County ABC Board was \$784,173 and the bank balance was \$778,552. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$528,552 was covered by collateral held by authorized escrow agents in the name of the State Treasurer. The ABC Board had \$3,642 cash on hand.

At September 30, 2010, the Hospital's deposits had a carrying amount of \$12,056,222 and a bank balance of \$12,236,082. Of the bank balance, \$961,636 was covered by federal depository insurance and \$11,304,446 was covered by collateral held under the Pooling method. The Hospital also had cash on hand at September 30, 2010, in the amount of \$2,603.

At June 30, 2011, the Tourism Development Authority had a carrying amount of \$236,103 and a bank balance of \$236,103. All of the bank balance was covered by federal depository insurance.

At June 30, 2011, the Memorial Gardens had a carrying amount of \$264,644 and a bank balance of \$265,026. All of the bank balance was covered by federal depository insurance.

**2. Investments**

At June 30, 2011, the County's investments consisted of \$19,543,291 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>	<u>Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2008		\$ 1,273,239	\$ 73,212	\$ 1,346,451
2009		1,412,276	91,798	1,504,074
2010		2,470,291	142,043	2,612,334
2011		<u>2,533,899</u>	<u>-</u>	<u>2,533,899</u>
Totals		<u>\$ 7,689,705</u>	<u>\$ 307,053</u>	<u>\$ 7,996,758</u>

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**4. Receivables**

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

	<u>Accounts</u>	<u>Taxes and Accrued Interest</u>	<u>Due from other governments</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 1,719,307	\$ 2,858,563	\$ 1,112,298	\$ 5,690,168
Other Governmental Funds	<u>39,779</u>	<u>-</u>	<u>-</u>	<u>39,779</u>
Total-governmental activities	<u>\$ 1,759,086</u>	<u>\$ 2,858,563</u>	<u>\$ 1,112,298</u>	<u>\$ 5,729,947</u>
Business-type Activities:				
Solid Waste Management	<u>\$ 140,200</u>	<u>\$ -</u>	<u>\$ 28,789</u>	<u>\$ 168,989</u>

Due from other governments that is owed to the County consists only of the following:

Local option sales tax	\$ 824,937
Sales tax refund receivable	287,361
White goods tax	4,167
Scrap tire disposal tax	17,286
Solid waste tax distribution	<u>7,336</u>
Total	<u>\$ 1,141,087</u>

**5. Capital Assets**

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 806,618	\$ 240,000	\$ -	\$ 1,046,618
Construction in Progress	<u>2,610,233</u>	<u>5,393,635</u>	<u>(842,889)</u>	<u>7,160,979</u>
Total capital assets not being depreciated	<u>3,416,851</u>	<u>5,633,635</u>	<u>(842,889)</u>	<u>8,207,597</u>
<b>Capital assets being depreciated:</b>				
Buildings	15,182,248	1,105,723	-	16,287,971
Improvements other than building	5,560,433	-	-	5,560,433
Machinery and Equipment	<u>4,021,493</u>	<u>552,128</u>	<u>(421,964)</u>	<u>4,151,657</u>
Total capital assets being depreciated	<u>24,764,174</u>	<u>1,657,851</u>	<u>(421,964)</u>	<u>26,000,061</u>
Less accumulated depreciation for:				
Buildings	6,237,057	383,481	-	6,620,538
Improvements other than building	580,586	191,296	-	771,882
Machinery and Equipment	<u>3,384,664</u>	<u>241,510</u>	<u>(421,964)</u>	<u>3,204,210</u>
Total accumulated depreciation	<u>10,202,307</u>	<u>\$ 816,287</u>	<u>\$ (421,964)</u>	<u>10,596,630</u>
Total capital assets being depreciated, net	<u>14,561,867</u>			<u>15,403,431</u>
Governmental activity capital assets, net	<u>\$ 17,978,718</u>			<u>\$ 23,611,028</u>

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

General government	\$ 221,456
Public safety	415,603
Human services	42,750
Community services	131,926
Economic development	<u>4,552</u>
Total depreciation expense	<u>\$ 816,287</u>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Transfers</u>	<u>Ending 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>248,497</u>	<u>-</u>	<u>17,385</u>	<u>248,497</u>
Total capital assets being depreciated	<u>609,390</u>	<u>-</u>	<u>17,385</u>	<u>609,390</u>
Less accumulated depreciation for:				
Buildings	8,523	240	-	8,763
Improvements other than buildings	80,474	9,889	-	90,363
Machinery and equipment	<u>240,559</u>	<u>1,059</u>	<u>-</u>	<u>241,618</u>
Total accumulated depreciation	<u>329,556</u>	<u>\$ 11,188</u>	<u>\$ -</u>	<u>340,744</u>
Total capital assets being depreciated, net	<u>279,834</u>			<u>268,646</u>
Business-type activities capital assets, net	<u>\$ 1,300,529</u>			<u>\$ 1,289,341</u>

Activity for the ABC Board for the year ended June 30, 2011, was as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Capital assets, not being depreciated:			
Land	\$ 110,877	\$ -	\$ 110,877
Capital assets, being depreciated:			
Land Improvements	32,592	28,332	4,260
Buildings	188,672	79,652	109,020
Furniture/equipment	51,135	35,657	15,478
Vehicles	23,208	23,208	-
Computers & software	<u>65,021</u>	<u>29,900</u>	<u>35,121</u>
Total, capital assets being depreciated	<u>360,628</u>	<u>196,749</u>	<u>163,879</u>
ABC Board capital assets, net	<u>\$ 471,505</u>	<u>\$ 196,749</u>	<u>\$ 274,756</u>

Activity for Granville Medical Center for the year ended September 30, 2010, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ 1,790,207	\$ -	\$ -	\$ 1,790,207
Construction in Progress	<u>447,651</u>	<u>525,439</u>	<u>41,827</u>	<u>931,263</u>
Total capital assets not being depreciated	<u>2,237,858</u>	<u>525,439</u>	<u>41,827</u>	<u>2,721,470</u>



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	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets being depreciated:				
Buildings	18,107,053	363,936	245,116	18,225,873
Land Improvements	1,056,967	-	45,098	1,011,869
Equipment and fixtures	<u>17,335,516</u>	<u>992,723</u>	<u>391,664</u>	<u>17,936,575</u>
Total capital assets being depreciated	<u>36,499,536</u>	<u>1,356,659</u>	<u>681,878</u>	<u>37,174,317</u>
Less accumulated depreciation for:				
Buildings	9,018,976	542,217	215,244	9,345,949
Land Improvements	831,117	53,938	45,098	839,957
Equipment and fixtures	<u>13,369,988</u>	<u>1,231,160</u>	<u>391,288</u>	<u>14,209,860</u>
Total accumulated depreciation	<u>23,220,081</u>	<u>\$1,827,315</u>	<u>\$ 651,630</u>	<u>24,395,766</u>
Total capital assets being depreciated, net	<u>13,279,455</u>			<u>12,778,551</u>
Business-type activities capital assets, net	<u>\$ 15,517,313</u>			<u>\$ 15,500,021</u>

**b. Liabilities**

**i. Payables**

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

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 911,084	\$ 10,456	\$ 433,665	\$ 1,355,205
2010 Southern Elementary School				
Project Fund	620,789			620,789
Other Governmental Funds	<u>505,147</u>	<u>-</u>	<u>-</u>	<u>505,147</u>
Total-governmental activities	<u>\$ 2,037,020</u>	<u>\$ 10,456</u>	<u>\$ 433,665</u>	<u>\$ 2,481,141</u>
Business-type Activities:				
Solid Waste Management	<u>\$ 116,242</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,242</u>

**2. Pension Plan Obligations**

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

*Plan Description* – Granville County 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 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 and the ABC Board are required to contribute at an actuarially determined rate.

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For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.44% and 6.41%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 6.75% of annual covered payroll. The contribution requirements of members and of Granville County 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, 2009, 2010 and 2011 were \$538,551, \$560,212, and \$642,364, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2009, 2010 and 2011 were \$9,611, \$10,374, and \$14,095, respectively. The contributions made by the County 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, 2010, the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>49</u>
Total	<u>51</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.

**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 \$45,448, or 2.2% of annual covered payroll. The County's obligation to contribute to this plan is

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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, 2010 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 4.25-7.85% per year. Both (a) and (b) included an inflation component of 3.00%. 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, 2010, was 20 years.

<u>Fiscal Year Ended</u>	<u>Three-Year Trend Information</u>		<u>Net Pension Obligation</u>
	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	
6/30/09	\$ 49,636	30.54%	\$ 422,633
6/30/10	55,636	88.05%	429,317
6/30/11	\$ 72,474	62.71%	456,343

Annual Pension Cost and Net Pension Obligation for Fiscal Year Ending 6/30/11

Employer annual required contribution	\$ 73,992
Interest on net pension obligation	21,466
Adjustment to annual required contribution	<u>(22,984)</u>
Annual pension cost	72,474
Employer contributions made for fiscal year ending 06/30/11	<u>45,448</u>
Increase (decrease) in net pension obligation	27,026
Net pension obligation beginning of fiscal year	<u>429,317</u>
Net pension obligation end of fiscal year	<u>\$ 456,343</u>

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

As of December 31, 2010, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial accrued liability for benefits was \$637,867, and the actuarial value of assets was \$0.00, resulting in an unfunded actuarial accrued liability (UAAL) of \$637,867. The covered payroll (annual payroll of active employees covered by the plan) was \$2,066,001, and the ratio of the UAAL to the covered payroll was 30.87 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 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

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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, 2011, were \$125,743, which consisted of \$106,011 from the County and \$19,732 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, 2011, the County's required and actual contributions were \$2,941.

**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.

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Membership of the HCB Plan consisted of the following at December 31, 2010, the date of the latest actuarial valuation:

	<u>General Employees</u>	<u>Law Enforcement Officers</u>
Retirees receiving benefits	39	-
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	<u>226</u>	<u>49</u>
Total	<u>265</u>	<u>49</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 \$174,474 or 1.74% 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.

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	\$ 725,613
Interest on net OPEB obligation	100,152
Adjustment to annual required contribution	<u>95,676</u>
Annual OPEB cost (expense)	730,089
Contributions made	<u>(174,474)</u>
Increase (decrease) in net OPEB obligation	555,615
Net OPEB obligation, beginning of year	<u>2,503,789</u>
Net OPEB obligation, end of year	<u>\$ 3,059,404</u>

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

For Year Ended <u>June 30</u>	Annual OPEB <u>Cost</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
2010	\$ 1,408,720	7.0%	\$ 2,503,789
2011	730,089	23.9%	3,059,404

*Funded Status and Funding Process* – As of December 31, 2010, 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 \$8,967,272. The covered payroll (annual payroll of active employees covered by the plan) was \$10,043,765, and the ratio of the UAAL to the covered payroll was 89.3 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, 2010 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 annual medical cost trend increase of 10.50 to 5.00 percent annually for Pre-Medicare and 8.50 to 5.00 percent annually for Post-Medicare. The investment rate included a 3.00 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, 2010, 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

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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, 2011, the County made contributions to the State for death benefits of \$10,046. 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, 2011, 2010, and 2009 were \$1,029,639, \$860,562, and \$754,271, respectively. The contributions made by the Hospital equaled the required contributions for each year.

**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 \$6,487,625 reported as landfill closure and postclosure care liability at June 30, 2011, represents the latest estimate for the 27 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.

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**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 Deferred Revenue</u>	<u>Full Accrual Unearned Revenue</u>
Prepaid taxes not yet earned (General)	\$ 126,397	\$ 126,397
Taxes receivable (net) (General)	<u>2,306,525</u>	<u>-</u>
Total	<u>\$ 2,432,922</u>	<u>\$ 126,397</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 two 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, and workers' compensation coverage up to the statutory limits. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. These 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.

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

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 Dees 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



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malpractice. The Hospital carries commercial insurance for these risks of loss. Claims have not exceeded coverage in any of the past three fiscal years.

**6. Claims and Judgments**

At June 30, 2011, 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.

\$ \_\_\_\_\_ -

**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, 2010 are as follows:

2011	184,080
2012	189,602
2013	195,290
2014	201,149
2015	207,183
2016-2017	<u>433,199</u>
Total	<u>\$ 1,410,503</u>

**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, 2011, 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.

\$ 1,161,030

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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	724,750
School Construction (Granville County Schools holds title to these assets upon project completion)	<u>2,104,316</u>
<b>Total</b>	<b><u>\$ 3,990,096</u></b>

For Granville County, the future minimum payments as of June 30, 2011, including \$831,218 of interest are:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2012	\$ 382,861	\$ 146,999
2013	386,434	132,471
2014	390,152	117,799
2015	394,020	102,976
2016	398,044	87,997
2017-2021	1,666,264	231,143
2022-2023	<u>372,321</u>	<u>11,833</u>
	<b><u>\$ 3,990,096</u></b>	<b><u>\$ 831,218</u></b>

**d. Certificates of Participation**

Certificates of participation are serviced by the County's general fund. Principal and interest requirements are appropriated when due. They were used to finance school construction.

**\$10,785,000** Series 2010A Limited Obligation Certificates of Participation, Recovery Zone Economic Development Bonds, issued August 2010, with interest semiannually on March 1 and September 1 and principal due annually on September 1 through 2030, interest at 1.55% to 6%. Annual payments are required to be made into a sinking fund held by US Bank beginning in September 2023. The deposits and the interest earned on those deposits will be used to make the principal payment in September 2030. These bonds are eligible for federal interest subsidy payments equal to 45% of the true interest cost of the bonds as provided in the American Recovery and Reinvestment Act (ARRA). \$ 10,785,000

**\$5,215,000** Series 2010B Limited Obligation Certificates of Participation, Qualified School Construction Bonds, issued August 2010, with interest semiannually on March 1 and September 1 and principal due annually on September 1 through 2025, interest at 5.05%. Annual payments are required to be made into a sinking fund held by US Bank. The deposits and the interest earned on those deposits will be used to make the principal payment in September 2025. These bonds are eligible for federal interest subsidy payments equal to 100% of the true interest cost of the bonds as provided in the American Recovery and Reinvestment Act (ARRA) and the Hiring Incentives to Restore Employment (HIRE) Act. 5,215,000

**Total** **\$ 16,000,000**

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

For Granville County, the future minimum payments as of June 30, 2011, including \$11,842,511 of interest are:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 490,000	\$ 734,005
2013	490,000	725,798
2014	490,000	716,487
2015	490,000	705,462
2016	490,000	692,110
2017-2021	2,470,000	3,194,384
2022-2026	7,690,000	4,510,865
2027-2031	3,390,000	563,400
	<u>\$ 16,000,000</u>	<u>\$ 11,842,511</u>

**e. 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, 2011, are comprised of the following individual issues:

**General Obligation Bonds**

\$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*	\$ -
\$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*	7,600,000
\$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	-
\$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*	20,500,000
\$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	590,000
\$1,600,000 Public Improvement 2009A bonds due on June 1 and December 1; interest at 3.0-4.5 percent	1,440,000
\$8,000,000 Library Bonds 2009B bonds due on June 1 and December 1; interest at 3.0-4.125 percent	7,200,000

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

\$10,215,000 Refunding Bonds 2009C due on June 1 and December 1; interest at 3.0-4.0 percent*	<u>8,780,000</u>
Total	<u>\$ 46,110,000</u>

\*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 June 30	Governmental Activities	
	Principal	Interest
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	3,165,000	1,276,369
2017-2021	15,655,000	4,705,825
2022-2026	13,040,000	1,675,925
2027-2029	<u>1,440,000</u>	<u>119,500</u>
	<u>\$ 46,110,000</u>	<u>\$ 14,068,394</u>

At June 30, 2011, Granville County had a legal debt margin of \$263,413,795.

The Hospital's notes payable at September 30, 2010, are comprised of the following:

3.77 percent note, payable monthly, principal and interest of \$38,095 through September 2011; guaranteed by Granville County	\$ 447,938
4.09 percent note, monthly principal payments of \$13,889, plus interest through January 2018; collateralized by real estate.	1,222,221
6.90 percent note, payable monthly, principal and interest of \$262 through February 2011, then principal and interest of \$903 through February 2016; collateralized by equipment	45,718
3.97 percent note, payable monthly, principal and interest of \$11,073 through March 2022; guaranteed by Granville County	<u>1,225,078</u>
Total	<u>\$ 2,940,955</u>

Year Ending September 30	Governmental Activities	
	Principal	Interest
2011	\$ 704,950	\$ 106,229
2012	264,174	86,249
2013	268,371	75,236
2014	272,755	64,036
2015	277,335	52,639
2016-2020	1,087,694	117,759
2021-2022	<u>65,676</u>	<u>762</u>
Total	<u>\$ 2,940,955</u>	<u>\$ 502,910</u>

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**f. Long-Term Obligation Activity**

The following is a summary of changes in the County's long-term obligations for the year ended June 30, 2011:

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011	Current Portion of Balance
Governmental activities:					
General obligation bonds	\$ 49,345,000	\$ -	\$ 3,235,000	\$ 46,110,000	\$ 3,225,000
Plus: Premiums on issuance	<u>572,581</u>	<u>-</u>	<u>47,167</u>	<u>525,414</u>	<u>-</u>
Total General obligation bonds	49,917,581	-	3,282,167	46,635,414	3,225,000
Capitalized leases	100,570	-	100,570	-	-
Installment Purchases	4,369,561	-	379,465	3,990,096	382,861
Certificates of participation	-	16,000,000	-	16,000,000	490,000
Compensated absences	779,884	746,505	779,884	746,505	186,626
Net OPEB obligation	2,471,210	546,571	-	3,017,781	-
Net pension obligation	<u>429,317</u>	<u>27,026</u>	<u>-</u>	<u>456,343</u>	<u>-</u>
Total governmental activities	<u>\$ 58,068,123</u>	<u>\$ 17,320,102</u>	<u>\$ 4,542,086</u>	<u>\$ 70,846,139</u>	<u>\$ 4,284,487</u>
Business-type activities:					
Accrued landfill closure and postclosure costs	\$ 6,482,061	\$ 70,589	\$ 65,025	\$ 6,487,625	\$ -
Compensated absences	15,293	12,757	15,293	12,757	3,189
Net OPEB obligation	<u>32,579</u>	<u>9,044</u>	<u>-</u>	<u>41,623</u>	<u>-</u>
Total business-type activities	<u>\$ 6,529,933</u>	<u>\$ 92,390</u>	<u>\$ 80,318</u>	<u>\$ 6,542,005</u>	<u>\$ 3,189</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.

**c. Interfund Balances and Activity**

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Reason</u>
<b>Transfers From/To Other Funds:</b>			
<u>General Fund</u>			
General Fund	Greenway Project Fund	\$ 105,275	Contribution to fund ongoing capital projects
	Landfill Capital Reserve Fund	1,716,130	Economic incentive repayment
	Expo and Conference Center Fund	215,000	Contribution to fund ongoing capital projects
		<u>\$ 2,036,405</u>	
Special Revenue/Capital Projects Funds			
Capital Improvements Fund	General Fund	536,578	To close out the fund
Revaluation Fund	General Fund	110	To close out the fund
School Restricted Capital Fund	General Fund	1,041,918	To close out the fund
Landfill Capital Reserve Fund	General Fund	366,133	To repay the General Fund for expenditures
Landfill Capital Reserve Fund	Solid Waste Management Fund	2,973,770	To close out the fund
		<u>\$ 4,918,509</u>	
<b>Due To/From Other Funds</b>			
Granville County Tourism			
Development Authority	General Fund	16,153	Occupancy tax proceeds
		<u>\$ 16,153</u>	

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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**III. Fund Balance**

Granville County has a revenue spending policy that provides policy for programs with multiple revenue sources. The Finance Officers will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-County funds, County funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the County.

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

Total fund balance-General Fund	\$ 23,998,964
Less:	
Prepaid items	4,000
Stabilization by State Statute	2,831,605
Appropriated fund balance in 2012 budget	768,172
Register of Deeds	12,748
Tax Revaluation	98,122
Economic and Physical Development	960,000
Remaining Fund Balance	\$ 19,324,317

**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 \$556,149 and \$16,640 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2011. 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, 2011. 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.

**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

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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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, 2011. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$34,860 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, 2011. 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, 2011. Complete financial statements for the Council may be obtained from the Council's administrative offices at 510 Dabney Drive, Henderson, N.C. 27536.

**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.

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Federal</u>	<u>State</u>
Temporary Assistance to Needy Families	\$ 591,877	\$ -
Medical Assistance	39,283,462	15,589,262
Energy Assistance	367,433	-
CWS Adoption Subsidy	-	184,231
Adoption Assistance	126,881	30,394
State/County Special Assistance	-	435,818
Foster Care	121,827	27,614
Independent Living	100	-
State Foster Care at Risk Max	-	647
State Foster Care At Risk	-	681
State Foster Home	-	46,955
State Foster Care	-	13,580
SFHF Maximization	-	78,291
	<u>                    </u>	<u>                    </u>
Totals	<u>\$ 40,491,580</u>	<u>\$ 16,407,473</u>

**VII. Subsequent Events**

The County has evaluated events and transactions that occurred between June 30, 2011 and December 12, 2011, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements. There were no events that occurred during this time that were deemed to be significant enough to be disclosed.

**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 Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/2005	\$ -	\$ 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%
12/31/2010	\$ -	\$ 637,867	\$ 637,867	0.00%	\$ 2,066,001	30.87%

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

Year Ended June 30	Annual Required Contribution	Percentage Contributed
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%
2011	\$ 72,474	62.71%

**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	12/31/2010
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	20 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25 - 7.85%
Cost-of-living adjustments	N/A

\*Includes inflation at 3.00% percent.

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/2007	\$ -	\$ 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%
12/31/2010	\$ -	\$ 8,967,272	\$ 8,967,272	0.00%	\$ 10,043,765	89.30%

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

Year Ended June 30	Annual Required Contribution	Percentage Contributed	Net OPEB Obligation
2009	\$ 1,351,483	11.70%	\$ 1,194,090
2010	1,408,720	7.03%	2,503,789
2011	\$ 730,089	23.90%	\$ 3,059,404

**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	12/31/2010
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	8.50%-5.00%
Year of Ultimate trend rate	2018
Cost-of-living adjustments	N/A

\*Includes inflation at 3.00% 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. The School Capital Reserve Fund is a special revenue fund 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 Revaluation 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. The School Capital Reserve Fund and Revaluation Fund are legally budgeted funds under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 are consolidated with the General Fund in the basic financial statements.
- **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.

**GRANVILLE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	2011		2010	
	Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Ad Valorem Taxes:				
Current year	\$ 30,273,223	\$ 30,381,913	\$ 108,690	\$ 28,825,358
Prior year	990,000	929,666	(60,334)	1,032,210
Penalties and interest	277,500	284,770	7,270	287,358
Total	31,540,723	31,596,349	55,626	30,144,926
Sales and Other Taxes:				
Article 39 one percent		1,141,947		1,575,042
Article 40 one-half of one percent		2,329,295		2,271,978
Article 42 one-half of one percent		1,097,983		1,556,011
Article 44 one-half of one percent		(47,127)		146,329
Article 44 Hold Harmless		407,229		365,769
State excise tax - Register of Deeds		131,456		150,675
Beer and wine		165,308		51,943
Taxes on federal exempt land		21,221		21,070
Occupancy taxes		185,671		188,877
Total	6,023,529	5,432,983	(590,546)	6,327,694
Licenses, Fees and Other Revenues:				
Privilege licenses		6,827		6,038
Taxes on Oxford Housing Authority		13,294		-
Planning		46,320		58,953
Inspection		343,150		399,739
Sheriff wage refund		-		-
Boarding state and federal prisoners		37,140		54,432
Ambulance fees		270,913		1,960,702
Library fees		43,666		39,842
Rents		12,361		15,050
Sheriff's fees		72,326		80,670
Election fees		316		44,925
Franchise fees		111,212		104,510
Animal control		21,877		19,533
Collection fees		104,725		97,779
Senior Center fitness fees		7,391		7,069
Administrative fees		25,000		25,000
Register of Deeds		196,073		213,899
GAP fees		27,986		23,441
GAP donations		-		-
GIS subscription fees		21,450		21,900
4-H Best program		685		-
Inmate Welfare fund		41		106
Aging fees		20,930		21,172
Federal interest subsidy		247,702		-
Federal and State grants		5,063		4,377
Miscellaneous		182,587		183,284
Sale of library books/abstracts		-		-
Sale of fixed assets		5,691		18,715
Total	1,780,502	1,824,726	44,224	3,401,136



**GRANVILLE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
Restricted and Intergovernmental Revenues:				
Debt Contribution from hospital		805,168		132,873
Court facility fees		84,331		90,966
CSC officer's fees		22,416		20,812
Register of Deeds		9,995		10,190
ABC bottle tax		11,606		11,612
Medicaid hold harmless		941,090		-
Federal and State grants		8,588,601		6,453,232
Excise recreation - Heritage		121,344		139,771
Jail fees		18,532		18,494
Floodplain mapping fees		17,800		18,940
Miscellaneous		45,326		40,366
Total	11,043,672	10,666,209	(377,463)	6,937,256
Investment earnings	92,000	83,560	(8,440)	158,648
Micellaneous Revenues				
Granville County ABC Board	140,000	272,271	132,271	145,478
Granville County Tourism Development Authority	90,000	90,000	-	80,000
Total	230,000	362,271	132,271	225,478
Total Revenues	50,710,426	49,966,098	(744,328)	47,195,138
<b>EXPENDITURES</b>				
<b>General Government</b>				
Board of Commissioners				
Salaries and employee benefits		145,649		142,201
Other operating expenditures		60,411		60,562
Capital outlay		1,719		-
Total	232,890	207,779	25,111	202,763
Administration				
Salaries and employee benefits		289,828		288,610
Other operating expenditures		12,633		14,449
Capital outlay		3,894		3,089
Total	324,789	306,355	18,434	306,148
Board of Elections				
Salaries and employee benefits		177,722		189,410
Other operating expenditures		97,572		113,657
Capital outlay		-		3,557
Total	313,789	275,294	38,495	306,624

**GRANVILLE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	2011		2010
	Budget	Actual	Variance Positive (Negative) Actual
Finance Department			
Salaries and employee benefits		262,929	233,708
Other operating expenditures		98,236	154,795
Capital outlay		-	-
Total	416,246	361,165	55,081
Tax Administration			
Salaries and employee benefits		447,108	430,920
Other operating expenditures		145,518	132,618
Capital outlay		9,889	691
Total	625,102	602,515	22,587
Register of Deeds			
Salaries and employee benefits		204,134	203,358
Other operating expenditures		43,917	43,068
Capital outlay		-	-
Total	261,808	248,051	13,757
General Services/Court Facilities			
Salaries and employee benefits		170,760	180,737
Other operating expenditures		304,594	328,967
Capital outlay		6,807	264
Total	555,462	482,161	73,301
Human Resources			
Salaries and employee benefits		71,836	67,782
Other operating expenditures		53,649	55,196
Capital outlay		124	835
Total	140,411	125,609	14,802
Internal Auditor			
Salaries and employee benefits		57,580	55,334
Other operating expenditures		3,594	2,934
Total	62,385	61,174	1,211
Total General Government	2,932,882	2,670,103	262,779
<u>Public Safety</u>			
Other Emergency Services	34,700	25,893	8,807
Sheriff's Department/Detention Center			
Salaries and employee benefits		4,536,084	4,220,729
Other operating expenditures		1,275,410	1,089,290
Capital outlay		44,232	35,272
Total	6,019,564	5,855,726	163,838
Fire Service	789,615	789,615	-

**GRANVILLE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	2011			2010
	Budget	Actual	Variance Positive (Negative)	Actual
Forestry				
Salaries and employee benefits		25,511		22,667
Other operating expenditures		61,132		58,033
Total	91,965	86,643	5,322	80,700
Emergency Management				
Salaries and employee benefits		163,412		156,610
Other operating expenditures		17,941		31,095
Capital outlay		-		131
Total	223,965	181,353	42,612	187,836
Emergency Services				
Salaries and employee benefits		923,703		3,474,165
Other operating expenditures		247,730		689,709
Capital outlay		20,661		120,747
Total	1,273,871	1,192,094	81,777	4,284,621
Total Public Safety	8,433,680	8,131,324	302,356	10,684,088
<u>Community Services</u>				
Cooperative Extension Service				
Salaries and employee benefits		232,848		223,193
Other operating expenditures		48,496		52,023
Capital outlay		-		5,958
Total	373,264	281,344	91,920	281,174
County Library System				
Salaries and employee benefits		507,880		441,240
Other operating expenditures		267,116		217,811
Capital outlay		-		1,000
Total	946,349	774,996	171,353	660,051
Recreation & Community Service				
Other operating expenditures		206,690		146,726
Total	221,726	206,690	15,036	146,726

**GRANVILLE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	2011		2010
	Budget	Actual	Variance Positive (Negative) Actual
Development Services			
Planning			
Salaries and employee benefits		248,394	231,751
Other operating expenditures		17,255	20,852
Capital outlay		-	-
Inspection Department			
Salaries and employee benefits		382,970	382,117
Other operating expenditures		26,084	25,435
Capital outlay		962	742
Construction Administration			
Other operating expenditures		489	416
Capital outlay		1,002,990	-
Total	2,169,700	1,679,144	490,556
Soil Conservation Program			
Salaries and employee benefits		91,106	116,320
Other operating expenditures		2,665	3,395
Total	94,347	93,771	576
Jonesland Park Operations			
Salaries and employee benefits		158,310	152,900
Other operating expenditures		99,883	80,559
Capital outlay		33,324	6,328
Total	382,776	291,517	91,259
Economic Development			
Salaries and employee benefits		136,888	-
Other operating expenditures		50,572	157,399
Capital outlay		21,019	-
Total	232,929	208,479	24,450
Total Community Services	4,421,091	3,535,941	885,150
<u>Human Services</u>			
Health and Medical Services			
Granville Medical Center		1,717,501	393,000
Granville-Vance District Health Dept.		325,653	325,649
Area Mental Health		135,440	136,458
Total	2,180,503	2,178,594	1,909
Social Services			
Salaries and employee benefits		3,460,857	3,357,454
Other operating expenditures		3,857,077	4,012,044
Capital outlay		103,006	26,639
Total	8,757,138	7,420,940	1,336,198

**GRANVILLE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	2011			2010
	Budget	Actual	Variance Positive (Negative)	Actual
Veterans Services				
Salaries and employee benefits		12,051		11,157
Other operating expenditures		1,386		1,143
Total	14,539	13,437	1,102	12,300
Senior Services-Nutrition/In-Home Aid				
Salaries and employee benefits		539,158		535,184
Other operating expenditures		526,683		403,740
Capital outlay		4,686		1,953
Total	1,160,251	1,070,527	89,724	940,877
Total Human Services	12,112,431	10,683,498	1,428,933	9,204,421
<u>Education</u>				
Granville County School System				
Current Expense	12,385,287	12,385,287	-	12,385,287
Capital	1,995,193	1,995,193	-	301,707
Total	14,380,480	14,380,480	-	12,686,994
Vance-Granville Community College				
Operating expenditures		556,149		528,565
Library		-		27,584
Capital Outlay		16,640		16,640
Total	572,789	572,789	-	572,789
Total Education	14,953,269	14,953,269	-	13,259,783
<u>Non-Departmental &amp; Special Areas</u>				
Special Projects	205,569	194,326	11,243	192,744
Pass Thru Funds	546,412	376,043	170,369	399,309
Non-Departmental	2,558,044	1,700,255	857,789	1,098,619
Granville County Tourism Development Authority	195,000	185,671	9,329	189,232
Total Non-Departmental & Special Areas	3,505,025	2,456,295	1,048,730	1,879,904

**GRANVILLE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	2011		2010	
	Budget	Actual	Variance Positive (Negative)	Actual
<u>Debt Service</u>				
South Granville Industrial Park				
Principal		100,569		96,863
Interest		2,868		6,574
Total	103,437	103,437	-	103,437
Hospital Financing				
Principal		695,028		81,671
Interest		110,140		51,202
Total	805,247	805,168	79	132,873
Park Financing				
Principal		113,737		90,253
Interest		35,624		37,641
Total	149,361	149,361	-	127,894
E911 Equipment				
Principal		-		111,500
Interest		-		34,219
Total	-	-	-	145,719
Schools Debt Service				
Principal		2,904,247		-
Interest		2,044,328		-
Total	10,468,426	4,948,575	5,519,851	-
Library Series 2009				
Principal		400,000		400,000
Interest		270,000		216,200
Total	670,000	670,000	-	616,200
Total Debt Service	12,196,471	6,676,541	5,519,930	1,126,123
Total Expenditures	58,554,849	49,106,971	9,447,878	41,127,226
Revenues Over (Under) Expenditures	(7,844,423)	859,127	8,703,550	6,067,912
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers-in:				
Landfill Capital Reserve Fund	366,135	366,133	(2)	227,174
School Restricted Capital Fund	1,041,918	1,041,917	(1)	-
Revaluation Fund	110	110	-	-
Library Expansion/Renovation Fund	-	-	-	125,000
Vehicle Replacement Fund	-	-	-	141,232
Capital Improvements Fund	536,579	536,578	(1)	-
Total transfers-in	1,944,742	1,944,738	(4)	493,406

**GRANVILLE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	2011			2010
	Budget	Actual	Variance Positive (Negative)	Actual
Transfers-out:				
School Capital Reserve Fund	-	-	-	(3,552,020)
Other funds:				
Expo and Conference Center Fund		(215,000)		-
Landfill Capital Reserve Fund		(1,716,130)		(304,996)
Revaluation Reserve Fund		-		(73,193)
Capital Improvements Fund		-		(320,000)
Greenway Project Fund		(105,275)		-
2010 Southern Elementary School Project Fund		-		(1,000,000)
Vehicle Replacement Fund		-		-
Total Other Funds	(2,036,405)	(2,036,405)	-	(1,698,189)
Total transfers-out	(2,036,405)	(2,036,405)	-	(5,250,209)
Contingency	(10,781)	-	10,781	-
Refunding bond proceeds	-	-	-	10,215,000
Debt premium	-	-	-	351,462
Escrow transfer-refunding	5,519,850	-	(5,519,850)	-
Payment to refunded bond escrow agent	-	-	-	(10,500,708)
Fund balance appropriated	2,427,017	-	(2,427,017)	-
Total Other Financial Sources (Uses)	7,844,423	(91,667)	(7,936,090)	(4,691,049)
Excess of Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	\$ -	767,460	\$ 767,460	1,376,863
Fund Balance-July 1, as restated		23,231,504		21,854,641
Fund Balance-June 30		\$ 23,998,964		\$ 23,231,504

**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, 2011  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010**

	2011			2010
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Restricted intergovernmental revenues	\$ -	\$ -	\$ -	\$ 600,000
Investment earnings	-	-	-	4,166
Total Revenues	-	-	-	604,166
<b><u>EXPENDITURES</u></b>				
Education	-	-	-	926,086
Debt Service				
Principal		-		2,777,730
Interest		-		1,676,127
Total	-	-	-	4,453,857
Total Expenditures	-	-	-	5,379,943
Revenues Over (Under) Expenditures	-	-	-	(4,775,777)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers from other funds				
General Fund	-	-	-	3,552,020
Transfers to other funds				
General Fund	(1,041,918)	(1,041,917)	(1)	-
Total Other Financing Sources (Uses)	(1,041,918)	(1,041,917)	(1)	3,552,020
Excess of Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(1,041,918)	(1,041,917)	(1)	(1,223,757)
Appropriated Fund Balance	1,041,918	-	(1,041,918)	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	(1,041,917)	\$ (1,041,917)	(1,223,757)
Fund Balance - July 1		1,041,917		2,265,674
Fund Balance - June 30		\$ -		\$ 1,041,917



**GRANVILLE COUNTY, NORTH CAROLINA  
REVALUATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010**

	2011			2010
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Investment earnings	\$ -	\$ -	\$ -	\$ 190
<b><u>EXPENDITURES</u></b>				
General government				
Tax listing	-	-	-	232,565
Revenues Over (Under) Expenditures	-	-	-	(232,375)
<b><u>OTHER FINANCING SOURCES</u></b>				
Fund balance appropriated	110	-	(110)	-
Operating transfers-in (out)				
General Fund	(110)	(110)	-	73,193
Total Other Financing Sources (Uses)	-	(110)	(110)	73,193
Excess of Revenues and Other Sources Over (Under) Expenditures	\$ -	(110)	\$ (110)	(159,182)
Fund Balance - July 1		110		159,292
Fund Balance - June 30		\$ -		\$ 110

**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, 2011**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Favorable (Unfavorable)
<b>REVENUES</b>					
Investment earnings	\$ 60,000	\$ -	\$ 31,733	\$ 31,733	\$ (28,267)
Miscellaneous revenue	-	-	4,100	4,100	4,100
Total Revenues	60,000	-	35,833	35,833	(24,167)
<b>EXPENDITURES</b>					
Capital Outlay					
Land acquisition	357,100	357,020	-	357,020	80
Building & site construction	12,500,000	-	8,910,826	8,910,826	3,589,174
Architect & engineering fees	840,000	482,280	225,758	708,038	131,962
Program management fees	460,000	137,474	274,718	412,192	47,808
Other contracts & charges	1,543,900	84,784	333,577	418,361	1,125,539
Project contingency	1,109,000	-	-	-	1,109,000
Total	16,810,000	1,061,558	9,744,879	10,806,437	6,003,563
Debt Service					
Issuance costs	250,000	683	235,107	235,790	14,210
Total	250,000	683	235,107	235,790	14,210
Total Expenditures	17,060,000	1,062,241	9,979,986	11,042,227	6,017,773
Revenues Over (Under) Expenditures	(17,000,000)	(1,062,241)	(9,944,153)	(11,006,394)	5,993,606
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer from General Fund	1,000,000	1,000,000	-	1,000,000	-
Issuance of debt	16,000,000	-	16,000,000	16,000,000	-
Total Other Financing Sources (Uses)	17,000,000	1,000,000	16,000,000	17,000,000	-
Excess of Revenues and Other Sources Over (Under) Expenditures And Other Uses	\$ -	\$ (62,241)	6,055,847	\$ 5,993,606	\$ 5,993,606
Fund Balance - July 1			(62,241)		
Fund Balance - June 30			\$ 5,993,606		

# 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.

- **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.

## 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.
- **Landfill Capital Reserve Fund:** This fund is used to hold moneys set aside for future site development.
- **Expo and Conference Center Fund:** This fund is used to account for funds associated with the Expo and Conference Center Project.
- **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, 2011**

	Special Revenue Funds			Capital Projects Funds					
	Emergency Telephone System Fund	CDBG Fund	R. H. Thornton Library Memorial Fund	Capital Improvements Fund	Landfill Capital Reserve Fund	Expo and Conference Center Fund	Granville Greenway Project Fund	Library Expansion/Renovation Fund	June 30, 2011
<u>ASSETS</u>									
Current Assets:									
Cash and cash equivalents	\$ 1,259,595	\$ -	\$ 320,265	\$ -	\$ -	\$ 210,014	\$ 67,752	\$ -	\$ 1,857,626
Restricted cash	-	-	-	-	-	-	-	3,804,263	3,804,263
Accounts receivable	39,779	-	-	-	-	-	-	-	39,779
Total Assets	<u>\$ 1,299,374</u>	<u>\$ -</u>	<u>\$ 320,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,014</u>	<u>\$ 67,752</u>	<u>\$ 3,804,263</u>	<u>\$ 5,701,668</u>
<u>LIABILITIES AND FUND EQUITY</u>									
Liabilities:									
Accounts payable and accrued liabilities	\$ 757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 504,390	\$ 505,147
Total liabilities	<u>757</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>504,390</u>	<u>505,147</u>
Fund Balances:									
Restricted:									
Stabilization by State Statute	39,779	-	-	-	-	-	-	-	39,779
Recreation	-	-	-	-	-	-	67,752	-	67,752
Library	-	-	320,265	-	-	-	-	3,299,873	3,620,138
Public Safety	1,258,838	-	-	-	-	-	-	-	1,258,838
Committed:									
Economic Development	-	-	-	-	-	210,014	-	-	210,014
Total fund equity	<u>1,298,617</u>	<u>-</u>	<u>320,265</u>	<u>-</u>	<u>-</u>	<u>210,014</u>	<u>67,752</u>	<u>3,299,873</u>	<u>5,196,521</u>
Total Liabilities and Fund Equity	<u>\$ 1,299,374</u>	<u>\$ -</u>	<u>\$ 320,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,014</u>	<u>\$ 67,752</u>	<u>\$ 3,804,263</u>	<u>\$ 5,701,668</u>

**GRANVILLE COUNTY, NORTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2011**

	Special Revenue Funds			Capital Projects Funds					
	Emergency Telephone System Fund	CDBG Fund	R. H. Thornton Library Memorial Fund	Capital Improvements Fund	Landfill Capital Reserve Fund	Expo and Conference Center Fund	Granville Greenway Project Fund	Library Expansion/ Renovation Fund	June 30, 2011
<b>REVENUES</b>									
Restricted intergovernmental revenues	\$ 477,349	\$ 108,058	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 585,407
Investment earnings	1,517	-	392	-	1,701	-	-	8,959	12,569
Miscellaneous	-	-	4,818	-	-	-	-	-	4,818
<b>Total Revenues</b>	<b>478,866</b>	<b>108,058</b>	<b>5,210</b>	<b>-</b>	<b>1,701</b>	<b>-</b>	<b>-</b>	<b>8,959</b>	<b>602,794</b>
<b>EXPENDITURES</b>									
Public safety	283,353	-	-	-	-	-	-	-	283,353
Economic development	-	108,058	-	-	-	-	-	-	108,058
Community services	-	-	4,915	-	-	-	-	-	4,915
Capital outlay	-	-	-	-	-	4,986	25,595	4,607,090	4,637,671
Debt service									
Principal	111,500	-	-	-	-	-	-	-	111,500
Interest	30,072	-	-	-	-	-	-	-	30,072
Bond issuance costs	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>424,925</b>	<b>108,058</b>	<b>4,915</b>	<b>-</b>	<b>-</b>	<b>4,986</b>	<b>25,595</b>	<b>4,607,090</b>	<b>5,175,569</b>
Revenues Over (under)									
Expenditures	53,941	-	295	-	1,701	(4,986)	(25,595)	(4,598,131)	(4,572,775)
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers-in									
General Fund	-	-	-	-	1,716,130	215,000	105,275	-	2,036,405
Total	-	-	-	-	1,716,130	215,000	105,275	-	2,036,405
Transfers out									
Solid Waste Management	-	-	-	-	(2,973,770)	-	-	-	(2,973,770)
General Fund	-	-	-	(536,578)	(366,133)	-	-	-	(902,711)
Total	-	-	-	(536,578)	(3,339,903)	-	-	-	(3,876,481)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(536,578)</b>	<b>(1,623,773)</b>	<b>215,000</b>	<b>105,275</b>	<b>-</b>	<b>(1,840,076)</b>
<b>Net Change in Fund Balances</b>	<b>53,941</b>	<b>-</b>	<b>295</b>	<b>(536,578)</b>	<b>(1,622,072)</b>	<b>210,014</b>	<b>79,680</b>	<b>(4,598,131)</b>	<b>(6,412,851)</b>
<b>Fund Balance - July 1</b>	<b>1,244,676</b>	<b>-</b>	<b>319,970</b>	<b>536,578</b>	<b>1,622,072</b>	<b>-</b>	<b>(11,928)</b>	<b>7,898,004</b>	<b>11,609,372</b>
<b>Fund Balance - June 30</b>	<b>\$ 1,298,617</b>	<b>\$ -</b>	<b>\$ 320,265</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 210,014</b>	<b>\$ 67,752</b>	<b>\$ 3,299,873</b>	<b>\$ 5,196,521</b>

**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, 2011  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010**

	2011			2010
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Restricted intergovernmental revenues:	\$ 477,348	\$ 477,349	\$ 1	\$ 477,349
Investment earnings	5,000	1,517	(3,483)	1,848
Total Revenues	482,348	478,866	(3,482)	479,197
<b><u>EXPENDITURES</u></b>				
Public safety:				
Salaries		45,875		-
Telephone		137,060		128,272
Other operating expenditures		100,418		58,872
Capital outlay		-		1,933
Debt service:				
Principal		111,500		-
Interest		30,072		-
Total Expenditures	1,110,486	424,925	685,561	189,077
Revenues Over (Under) Expenditures	(628,138)	53,941	682,079	290,120
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Fund balance appropriated	628,138	-	(628,138)	-
Total Other Financing Sources (Uses)	628,138	-	(628,138)	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	53,941	\$ 53,941	290,120
Fund Balance - July 1		1,244,676		954,556
Fund Balance - June 30		\$ 1,298,617		\$ 1,244,676

**GRANVILLE COUNTY, NORTH CAROLINA**  
**CDBG FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Project Authorization</u>	<u>Actual Prior Years</u>	<u>Actual Current Year</u>	<u>Actual Total to Date</u>	<u>Variance Positive (Negative)</u>
<b><u>REVENUES</u></b>					
Restricted intergovernmental revenues					
Federal and State grants	\$ 400,000	\$ 74,319	\$ 108,058	\$ 182,377	\$ (217,623)
<b><u>EXPENDITURES</u></b>					
Economic development					
Housing	375,568	70,999	103,418	174,417	201,151
Supplemental	24,432	3,320	4,640	7,960	16,472
Total	400,000	74,319	108,058	182,377	217,623
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 Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund Balance - July 1			-		
Fund Balance - June 30			<u>\$ -</u>		

**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, 2011  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010**

	2011			2010
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Donations	\$ 20,000	\$ 4,818	\$ (15,182)	\$ 104,688
Investment Earnings	-	392	392	502
Total Revenues	20,000	5,210	(14,790)	105,190
<b><u>EXPENDITURES</u></b>				
Library Entrance Remodel	-	-	-	-
Other Projects	20,000	4,915	15,085	1,482
Total Expenditures	20,000	4,915	15,085	1,482
Revenues over (under) expenditures	-	295	295	103,708
<b>OTHER FINANCING SOURCES (USES)</b>				
Fund balance appropriated	-	-	-	-
Transfer-in(out)				
Capital Improvements Fund	-	-	-	-
General Fund	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	\$ -	295	\$ 295	103,708
<b>FUND BALANCE</b>				
Beginning of year - July 1		319,970		216,262
End of year - June 30		\$ 320,265		\$ 319,970



**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, 2011  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010**

	2011			2010
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Restricted intergovernmental revenues				
Federal and State grants	\$ -	\$ -	\$ -	\$ 803,358
Other revenue	-	-	-	-
Investment earnings	-	-	-	2,242
Total Revenues	-	-	-	805,600
<b><u>EXPENDITURES</u></b>				
Capital Outlay	-	-	-	1,756,881
Revenues Over (Under) Expenditures	-	-	-	(951,281)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Fund Balance appropriated	536,579	-	(536,579)	-
Transfers-in (out)				
Series 2005 Public Improvement Bond Fund	-	-	-	-
Series 2005 Public Improvement Bond Fund	-	-	-	3,635
General Fund	(536,579)	(536,578)	1	320,000
Total Other Financing Sources (Uses)	-	(536,578)	(536,578)	323,635
Excess of Revenues and Other				
Sources Over (Under) Expenditures and Other Uses	\$ -	(536,578)	\$ (536,578)	(627,646)
Fund Balance - July 1		536,578		1,164,224
Fund Balance - June 30		\$ -		\$ 536,578

**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, 2011**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Investment earnings	\$ 685,771	\$ 684,068	\$ 1,701	\$ 685,769	\$ (2)
<b><u>EXPENDITURES</u></b>					
Landfill	-	-	-	-	-
Revenues Over (Under) Expenditures	685,771	684,068	1,701	685,769	(2)
<b>OTHER FINANCING SOURCES (USES)</b>					
Appropriated Fund Balance	-	-	-	-	-
Transfers-in (out)					
General Fund	3,480,493	1,764,363	1,716,130	3,480,493	-
General Fund	(3,480,493)	(3,114,359)	(366,133)	(3,480,492)	1
Solid Waste Management	3,000,000	3,000,000	-	3,000,000	-
Solid Waste Management	(3,685,771)	(712,000)	(2,973,770)	(3,685,770)	1
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)	(685,771)	938,004	(1,623,773)	(685,769)	2
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 1,622,072	(1,622,072)	\$ -	\$ -
Fund Balance - July 1			1,622,072		
Fund Balance - June 30			\$ -		

**GRANVILLE COUNTY, NORTH CAROLINA  
EXPO AND CONFERENCE CENTER FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Project Authorization</u>	<u>Actual Prior Years</u>	<u>Actual Current Year</u>	<u>Actual Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>					
Investment earnings	\$ 200	\$ -	\$ -	\$ -	\$ (200)
Total Revenues	200	-	-	-	(200)
<b><u>EXPENDITURES</u></b>					
Capital Outlay					
Construction/Renovation	215,200	-	4,986	4,986	210,214
Total	215,200	-	4,986	4,986	210,214
Total Expenditures	215,200	-	4,986	4,986	210,214
Revenues Over (Under) Expenditures	(215,000)	-	(4,986)	(4,986)	210,014
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfer from General Fund	215,000	-	215,000	215,000	-
Total Other Financing Sources (Uses)	215,000	-	215,000	215,000	-
Excess of Revenues and Other Sources Over (Under) Expenditures And Other Uses	\$ -	\$ -	210,014	\$ 210,014	\$ 210,014
Fund Balance - July 1			-		
Fund Balance - June 30			\$ 210,014		

**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, 2011**

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Restricted intergovernmental revenues					
Federal and state grants	\$ 460,096	\$ -	\$ -	\$ -	\$ (460,096)
Miscellaneous					
Donations	9,150	9,150	-	9,150	-
Total Revenues	469,246	9,150	-	9,150	(460,096)
<b><u>EXPENDITURES</u></b>					
Professional Services		20,672	25,595	46,267	
Supplies and Materials		406	-	406	
Easements and ROWs		-	-	-	
Greenway Construction		-	-	-	
Construction Contingency		-	-	-	
Total Expenditures	574,521	21,078	25,595	46,673	527,848
Revenues Over (Under) Expenditures	(105,275)	(11,928)	(25,595)	(37,523)	67,752
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers-in (out)					
General Fund	105,275	-	105,275	105,275	-
Total	105,275	-	105,275	105,275	-
Excess of Revenues and Other Sources					
Over (Under) Expenditures and Other Uses	\$ -	\$ (11,928)	79,680	\$ 67,752	\$ 67,752
Fund Balances:					
Beginning of year - July 1			(11,928)		
End of year - June 30			\$ 67,752		

**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, 2011**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Favorable (Unfavorable)
<b>REVENUES</b>					
Investment earnings	\$ 29,000	\$ 11,693	\$ 8,959	\$ 20,652	\$ (8,348)
Total	29,000	11,693	8,959	20,652	(8,348)
<b>EXPENDITURES</b>					
General Library Projects					
Issuance Costs		41,970	-	41,970	
Architectural Services		65,899	46,163	112,062	
Construction		-	1,093,332	1,093,332	
General Contingency		-	-	-	
Total	2,454,904	107,869	1,139,495	1,247,364	1,207,540
Thornton Expansion					
Architectural Services		220,010	(38,070)	181,940	
Contract Services		50,462	25,728	76,190	
Building Rent		64,667	40,824	105,491	
Furniture & Fixtures		-	354,730	354,730	
Construction Renovation		1,104,297	857,901	1,962,198	
Contingency		-	-	-	
Total	3,047,024	1,439,436	1,241,113	2,680,549	366,475
South Branch Addition					
Architectural Services		91,637	51,412	143,049	
Furniture & Fixtures		-	4,296	4,296	
Land		-	-	-	
Construction & Renovation		100,333	1,780,039	1,880,372	
Contingency		-	-	-	
Total	3,035,707	191,970	1,835,747	2,027,717	1,007,990
Stovall Addition					
Architectural Services		30,970	23,196	54,166	
Furniture & Fixtures		-	329	329	
Land		50,666	-	50,666	
Construction & Renovation		4,618	367,210	371,828	
Contingency		-	-	-	
Total	1,108,205	86,254	390,735	476,989	631,216
Berea Renovation					
Furniture & Fixtures	95,000	-	-	-	95,000
Total	95,000	-	-	-	95,000
Total Expenditures	9,740,840	1,825,529	4,607,090	6,432,619	3,308,221
Revenues Over (Under) Expenditures	(9,711,840)	(1,813,836)	(4,598,131)	(6,411,967)	3,299,873
<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 (Uses)	9,711,840	9,711,840	-	9,711,840	-
Excess of Revenues and Other Sources Over (Under) Expenditures And Other Uses	\$ -	\$ 7,898,004	(4,598,131)	\$ 3,299,873	\$ 3,299,873
Fund Balance - July 1			7,898,004		
Fund Balance - June 30			\$ 3,299,873		

## 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, 2011**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010**

	2011		Variance	2010
	Budget	Actual	Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Restricted intergovernmental				
NC Electronics Management Funds	\$ 34,137	\$ 4,137	\$ 30,000	\$ -
Operating revenues				
Landfill user fees	408,100	414,355	6,255	384,629
Solid waste charges	980,000	1,045,421	65,421	988,479
Other operating revenues				
White goods		118,428		18,180
Scrap tire disposal tax		67,958		64,172
Solid waste disposal tax		31,152		30,524
Compost/Mulch sales		2,057		3,675
Miscellaneous		1,025		37,641
Total	<u>74,000</u>	<u>220,620</u>	<u>146,620</u>	<u>154,192</u>
Total Operating Revenues	<u>1,496,237</u>	<u>1,684,533</u>	<u>218,296</u>	<u>1,527,300</u>
Nonoperating Revenues				
Interest earned on investments	<u>718,000</u>	<u>3,864</u>	<u>(714,136)</u>	<u>5,522</u>
Total Revenues	<u>2,214,237</u>	<u>1,688,397</u>	<u>(495,840)</u>	<u>1,532,822</u>
<b><u>EXPENDITURES</u></b>				
Solid Waste Operations				
Professional Services		-		28,848
Printing		150		-
Supplies and materials		1,657		188
Manned sites		399,024		390,435
Oil and Anti-Freeze Disposal		4,414		3,005
Freon Removal		2,712		4,104
Waste disposal		347,795		322,775
Container transportation		244,841		240,153
Maintenance and grounds		2,270		2,754
Miscellaneous		441		30
Total	<u>1,122,345</u>	<u>1,003,304</u>	<u>119,041</u>	<u>992,292</u>
Site remodeling and construction	<u>35,000</u>	<u>3,165</u>	<u>31,835</u>	<u>13,399</u>
Total Solid Waste Operations	<u>1,157,345</u>	<u>1,006,469</u>	<u>150,876</u>	<u>1,005,691</u>

**GRANVILLE COUNTY, NORTH CAROLINA**  
**SOLID WASTE MANAGEMENT**  
**SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010**

	2011		Variance	2010
	Budget	Actual	Positive (Negative)	Actual
Landfill Operations				
Salaries and employee benefits		158,144		174,611
Administrative fee		25,000		25,000
Professional services		54,794		58,995
Credit card charges		741		689
Gas, oil, tires		8,146		7,920
Supplies and materials		5,461		7,314
Brush grinding		23,404		22,075
Travel		666		483
Telephone and postage		4,302		4,681
Utilities		3,655		3,324
Printing		370		231
Maintenance and grounds		1,645		2,156
Advertising		169		10
Tire disposal		66,184		67,567
Registration and training		2,373		3,394
Contract services		240,664		231,590
Brush pile maintenance		1,128		1,158
Computer service		1,295		1,200
Noncapitalized equipment		27,412		14,404
Miscellaneous		940		56
Total Landfill Operations	832,063	626,493	205,570	626,858
Convenience sites				
Professional services	95,120	-	95,120	-
Budgetary Appropriations				
Capital outlay - solid waste	7,500			
Capital outlay - landfill	3,026,235	-	3,026,235	-
Capital outlay - convenience sites	566,415	65,024	501,391	110,390
Total	3,600,150	65,024	3,527,626	110,390
Total Expenditures	5,684,678	1,697,986	3,884,072	1,742,939
Revenues Over (Under) Expenditures	(3,470,441)	(9,589)	3,460,852	(210,117)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers-in/out				
Landfill Capital Reserve Fund	2,973,770	2,973,770	-	-
General Fund	-	-	-	-
Fund Balance Appropriated				
Convenience sites	-	-	-	-
Landfill	337,326	-	(337,326)	-
Solid Waste	159,345	-	(159,345)	-
Total Other Financing Sources (Uses)	3,470,441	2,973,770	(496,671)	-
Revenues Over (Under) Sources and Other Uses	\$ -	\$ 2,964,181	\$ 2,964,181	\$ (210,117)



**GRANVILLE COUNTY, NORTH CAROLINA**  
**SOLID WASTE MANAGEMENT**  
**SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010**

	2011		Variance	2010
	Budget	Actual	Positive (Negative)	Actual
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Excess of revenues over (under) expenditures		\$ 2,964,181		\$ (210,117)
Depreciation		(11,188)		(11,464)
(Increase) decrease in accrued landfill closure and postclosure care costs		(5,564)		(316,818)
(Increase) decrease in other postemployment benefits		(9,044)		(16,592)
(Increase) decrease in accrued vacation payable		2,535		(828)
Net Income (loss)		<u>\$ 2,940,920</u>		<u>\$ (555,819)</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, 2011**

	Agency Funds			
	Social Services Fund	Granville County Tourism Development Authority	DMV Interest Fund	Total Agency Funds
<b>ASSETS</b>				
Cash and investments	\$ 50,155	\$ -	\$ 2,378	\$ 52,533
Due from other fund	-	16,153	-	16,153
Total Assets	<u>\$ 50,155</u>	<u>\$ 16,153</u>	<u>\$ 2,378</u>	<u>\$ 68,686</u>
<b>LIABILITIES AND NET ASSETS</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Miscellaneous liabilities	50,155	-	2,378	52,533
Due to other funds	-	-	-	-
Due to component unit	-	16,153	-	16,153
Total Liabilities	<u>50,155</u>	<u>16,153</u>	<u>2,378</u>	<u>68,686</u>
Net Assets:				
Unreserved	-	-	-	-
Total Liabilities and Net Assets	<u>\$ 50,155</u>	<u>\$ 16,153</u>	<u>\$ 2,378</u>	<u>\$ 68,686</u>

**GRANVILLE COUNTY, NORTH CAROLINA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<u>Social Services</u>				
Assets				
Cash and cash equivalents	\$ 52,731	\$ 208,814	\$ 211,390	\$ 50,155
Liabilities				
Miscellaneous liabilities	\$ 52,731	\$ 208,814	\$ 211,390	\$ 50,155
<u>Granville County Tourism Development Authority</u>				
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other fund	40,907	16,153	40,907	16,153
Total assets	\$ 40,907	\$ 16,153	\$ 40,907	\$ 16,153
Liabilities				
Due to component unit	\$ 40,907	\$ 16,153	\$ 40,907	\$ 16,153
<u>DMV Interest Fund</u>				
Assets				
Cash and cash equivalents	\$ 2,651	\$ 41,564	\$ 41,837	\$ 2,378
Liabilities				
Due to DMV	\$ 2,651	\$ 41,564	\$ 41,837	\$ 2,378
<u>Total - All Agency Funds</u>				
Assets				
Cash and cash equivalents	\$ 55,382	\$ 250,378	\$ 253,227	\$ 52,533
Due from other fund	40,907	16,153	40,907	16,153
Total assets	\$ 96,289	\$ 266,531	\$ 294,134	\$ 68,686
Liabilities				
Miscellaneous liabilities	\$ 55,382	\$ 250,378	\$ 253,227	\$ 52,533
Due to component unit	40,907	16,153	40,907	16,153
Total liabilities	\$ 96,289	\$ 266,531	\$ 294,134	\$ 68,686

## **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, 2011**

Fiscal Year	Uncollected Balance June 30, 2010	Additions	Collections and Adjustments	Uncollected Balance June 30, 2011
2011	\$ -	\$ 30,566,444	\$ (29,677,712)	\$ 888,732
2010	1,140,871	-	(725,046)	415,825
2009	254,919	-	(67,992)	186,927
2008	277,190	-	(35,906)	241,284
2007	294,853	-	(20,218)	274,635
2006	77,640	-	(12,662)	64,978
2005	68,295	-	(7,354)	60,941
2004	58,632	-	(3,416)	55,216
2003	58,888	-	(3,183)	55,705
2002	65,324	-	(3,042)	62,282
2001	47,069	-	(47,069)	-
	<u>\$ 2,343,681</u>	<u>\$ 30,566,444</u>	<u>\$ (30,603,600)</u>	<u>\$ 2,306,525</u>

## Reconcilement with revenues:

Taxes-ad valorem-General Fund

\$ 31,596,349

Interest and Discounts

(1,038,185)

30,558,164

Amounts written off for tax year 2000 - 2001  
per statute of limitations

45,436

Total Collections and Credits

\$ 30,603,600

**GRANVILLE COUNTY, NORTH CAROLINA**  
**ANALYSIS OF CURRENT TAX LEVY**  
**COUNTY-WIDE LEVY**  
**JUNE 30, 2011**

	County-wide			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Total Levy		
Original levy:					
Property taxed at current year's rate	\$ 3,495,709,869	0.795	\$ 27,790,893	\$ 27,790,893	\$ -
Motor vehicles at current year's rate	125,671,321	0.795	999,087	-	999,087
Motor vehicles at prior year's rate	215,570,424	0.825	1,778,456	-	1,778,456
Discoveries:					
Current and prior year's taxes	127,933,962	0.795	1,017,075	984,144	32,931
Abatements	(9,200,000)	0.795	(73,140)	(32,216)	(40,924)
Total Property Valuation	<u>\$ 3,955,685,576</u>				
Net Levy			31,512,371	28,742,821	2,769,550
Uncollected taxes at June 30, 2010			888,732	466,824	421,908
Current year's taxes collected			<u>\$ 30,623,639</u>	<u>\$ 28,275,997</u>	<u>\$ 2,347,642</u>
Current levy collection percentage			<u>97.18%</u>	<u>98.38%</u>	<u>84.77%</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 NINE FISCAL YEARS\***  
**(ACCRUAL BASIS OF ACCOUNTING)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 13,168,461
Restricted	580,799	134,488	107,052	-	-	30,967	-	-	13,824,466
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)	(35,778,192)
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>	<u>(8,785,265)</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	1,289,341
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)	(740,691)
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>	<u>548,650</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	14,457,802
Restricted	580,799	134,488	107,052	-	-	30,967	-	-	13,824,466
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)	(36,518,883)
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>	<u>\$ (8,236,615)</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.

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<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	\$ 3,557,567
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	8,745,611
Transportation	81,109	-	87,213	133,184	161,752	228,242	142,623	161,465	161,525
Environmental Protection	-	-	-	282,791	-	-	-	-	-
Economic and physical development	32,080	3,039	328,880	282,791	28,224	333,567	357,293	1,142,750	560,181
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	11,189,177
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	3,219,464
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	24,697,465
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	2,423,796
Total governmental activities expenses	34,032,473	34,728,949	37,330,817	52,692,606	66,902,088	48,364,485	47,292,425	47,466,814	54,554,786
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	1,721,247
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	1,721,247
Total primary government expenses	36,487,889	37,325,068	40,005,732	55,338,231	69,884,733	55,970,256	49,490,408	49,555,455	56,276,033
<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	394,790
Public Safety	654,182	790,460	791,072	1,088,446	802,327	924,126	795,836	687,119	621,263
Environmental Protection	-	-	-	370	-	-	-	-	-
Economic and physical development	-	-	-	-	-	-	-	-	17,800
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	299,919
Community Services	168,485	196,402	245,038	321,200	354,237	286,584	212,183	203,054	192,996
Education	-	-	-	-	-	-	-	-	1,488,000
Operating grants and contributions									
General government	30,583	33,409	42,165	261,063	14,732	11,808	14,568	37,694	149,436
Public Safety	240,534	298,679	312,546	345,704	357,011	526,668	676,647	645,268	678,364
Transportation	-	-	-	-	-	-	177,704	192,410	261,137
Economic and physical development	-	20,000	-	75,000	-	-	3,009	-	738,449
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	5,868,017
Community Services	216,138	263,599	288,268	193,210	193,001	180,085	195,205	265,444	168,581
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	108,058
Community Services	75,000	75,000	75,000	89,631	108,513	370,000	417,650	80,000	90,000
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	11,076,810
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	1,680,396
Capital grants and contributions	-	-	-	-	-	-	-	-	4,137
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	1,684,533
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	12,761,343

TABLE 2

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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)	(3,013,341)
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)	(7,445,984)
Transportation	-	90,182	-	(27,931)	(12,655)	(56,771)	417,143	30,945	99,612
Environmental Protection	-	-	-	(282,421)	-	-	-	-	-
Economic and physical development	937,985	1,702,085	434,249	126,150	(42,573)	(57,932)	(234,060)	(293,831)	304,126
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)	(5,021,241)
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)	(2,767,887)
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)	(23,209,465)
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)	(2,423,796)
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)	(36,714)
Total primary government net expenses	<u>(25,139,169)</u>	<u>(24,509,998)</u>	<u>(27,561,762)</u>	<u>(41,415,424)</u>	<u>(56,508,748)</u>	<u>(41,177,808)</u>	<u>(34,742,939)</u>	<u>(35,719,720)</u>	<u>(43,514,690)</u>
<b>General 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	31,614,844
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	4,929,327
Other taxes and licenses	725,801	721,619	785,834	865,181	295,200	1,019,520	666,540	523,113	1,576,079
Investment earnings	353,028	211,017	574,177	1,994,666	1,878,138	1,317,899	536,617	182,190	127,862
Miscellaneous	245,041	189,931	129,741	309,682	578,191	180,056	265,978	(163,201)	378,224
Transfers	108,350	(176,600)	-	227,150	(810,551)	594,882	-	-	(2,973,770)
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>	<u>35,652,566</u>
Total governmental activities	<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>	<u>35,652,566</u>
Business-type activities:									
Investment earnings	48,132	33,463	60,065	129,052	162,654	144,531	60,025	5,522	3,864
Miscellaneous	-	-	15,645	246,233	162,360	-	-	-	-
Transfers	(108,350)	176,600	-	(227,150)	810,551	(4,278,578)	-	-	2,973,770
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>	<u>2,977,634</u>
Total business-type activities	<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>	<u>2,977,634</u>
Total primary government	<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>	<u>38,630,200</u>
<b>Changes in Net Assets</b>									
Governmental activities	960,326	3,264,439	2,274,470	(6,480,717)	(20,625,689)	2,367,065	2,534,975	1,559,405	(7,825,410)
Business-type activities	126,368	211,853	98,354	490,526	1,301,385	(8,942,942)	(612,222)	(555,819)	2,940,920
Total primary government	<u>\$ 1,086,694</u>	<u>\$ 3,476,292</u>	<u>\$ 2,372,824</u>	<u>\$ (5,990,191)</u>	<u>\$ (19,324,304)</u>	<u>\$ (6,575,877)</u>	<u>\$ 1,922,753</u>	<u>\$ 1,003,586</u>	<u>\$ (4,884,490)</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 NINE FISCAL YEARS\***  
**(ACCRUAL BASIS OF ACCOUNTING)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Local Sales Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>Other 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
2011	\$ 31,614,844	\$ 4,929,327	\$ 23,213	\$ 480,443	\$ 37,047,827

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

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

TABLE 4

	Fiscal Year	
	Restated 2010	2011
<b>General Fund</b>		
Nonspendable		
Prepaid items	\$ -	\$ 4,000
Restricted		
Stabilization by State Statute	3,334,751	2,831,605
Register of Deeds	-	12,748
Tax Revaluation	110	98,122
School Capital Outlay	739,572	-
Committed	-	-
Assigned		
Subsequent year's expenditures	990,730	768,172
Economic & Physical Development	1,003,828	960,000
Unassigned	18,741,118	19,324,317
Total general fund	\$ 24,810,109	\$ 23,998,964
<b>All other governmental funds</b>		
Restricted		
Stabilization by State Statute	39,779	39,779
School Capital Outlay	(62,241)	5,993,606
Recreation	(11,928)	67,752
Library	8,217,974	3,620,138
Public Safety	1,204,897	1,258,838
Committed		
Economic & Physical Development	1,622,072	210,014
Assigned	-	-
Unassigned	-	-
Total other governmental funds	\$ 11,010,553	\$ 11,190,127

TABLE 4a

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
<b>General fund</b>								
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>
<b>All other governmental funds</b>								
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. Fiscal years 2004 through 2010 are presented in the Pre-GASB 54 format on the bottom table with Fiscal years 2010 & 2011 presented showing the GASB 54 format. Fiscal year 2010 was restated by County Finance Staff and represents and was not subject to audit procedures.

TABLE 5

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<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	\$ 31,596,349
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	5,432,983
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	1,824,726
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	11,251,616
Investment earnings	355,461	211,017	530,267	2,001,898	1,870,843	1,361,872	536,617	182,190	127,862
Miscellaneous	313,443	253,393	209,480	281,486	241,952	250,119	324,509	341,778	371,189
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	50,604,725
<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	2,670,103
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	8,414,677
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	3,540,856
Economic and physical development	-	3,039	-	249,843	400	317,475	78,384	74,319	108,058
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	10,683,498
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	2,456,295
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	4,637,671
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	24,698,148
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service:									
Bond issuance cost	7,493	-	54,831	7,655	32,302	-	-	42,653	235,107
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	4,325,081
Interest	888,790	826,281	770,772	1,779,461	1,896,828	2,115,253	2,078,214	2,021,963	2,493,032
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	64,262,526
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)	(13,657,801)
<b>Other financing sources (uses)</b>									
Debt proceeds	-	-	26,265,000	-	11,000,000	3,859,760	-	19,815,000	16,000,000
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	2,939,116
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)	(5,912,886)
Total other financing sources (uses)	865,131	(176,600)	26,408,117	227,150	10,237,571	4,454,642	-	9,777,594	13,026,230
Excess of Revenues and Other Sources Over (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	(631,571)
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	\$ (631,571)
Debt service as a percentage of noncapital expenditures	7.55%	5.44%	5.30%	7.02%	5.89%	9.74%	10.39%	11.49%	12.20%

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

TABLE 6

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Alcoholic Beverage 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
2011	\$ 31,596,349	\$ 4,929,327	\$ 23,213	\$ 503,656	\$ 37,052,545

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

TABLE 7

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

<b>Fiscal Year Ended June 30</b>	<b>Property Excluding Registered Motor Vehicles</b>	<b>Motor Vehicles</b>	<b>Plus Discoveries</b>	<b>Less Abatements</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Estimated Actual Taxable/Market Value</b>	<b>Assessed Value as a Percentage of Market 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%
2011	\$ 3,495,709,869	\$ 341,241,745	\$ 127,933,962	\$ (9,200,000)	\$ 3,955,685,576	0.795	\$ 31,512,371	\$ 31,396,205	100.37%

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 NINE FISCAL YEARS\***

	Fiscal Year Ended								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>County Direct Rates*</b>									
County-wide Rate	0.7950	0.8250	0.7550	0.7550	0.7000	0.7000	0.6350	0.6350	0.6350
<b>Municipality Rates</b>									
City of Oxford	0.6000	0.6000	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500
Town of Stem	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.3500
Town of Stovall	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4400	0.4400	0.4400
City of Creedmoor	0.7000	0.7000	0.7250	0.7250	0.7000	0.6900	0.6500	0.6500	0.6600
Town of Butner^	0.3500	0.2500	0.2500	0.2500	0.2500	0.2000	0.2000	0.2000	0.2000
Lyon Station**	N/A	N/A	N/A	0.0950	0.0950	0.0950	0.0950	0.0950	0.9500
Oxford Parking Authority	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Oxford Municipal Service District	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
Oxford Economic Development District	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000

\* 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, 2011  
CURRENT YEAR AND FIVE YEARS AGO\***

Taxpayer	2011			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Revlon	\$ 65,138,371	1	1.65%	\$ 62,843,801	1	1.99%
Certainteed Corporation	58,012,877	2	1.47%	21,173,416	4	0.67%
CP&L/Progress Energy	38,550,121	3	0.97%	21,657,170	2	0.69%
Bridgeston Commercial Solutions	26,244,055	4	0.66%	21,374,725	3	0.68%
WAKE EMC	25,413,092	5	0.64%	17,625,184	9	0.56%
SantaFe Natural Tobacco Company	22,460,842	6	0.57%	-	-	0.00%
Butner Acquisition Company	19,598,899	7	0.50%	18,550,812	6	0.59%
Verizon South, Inc	18,661,474	8	0.47%	-	-	0.00%
Cardinal Health 303, LLC	18,646,251	9	0.47%	-	-	0.00%
Duke Energy Corporation	18,341,961	10	0.46%	-	-	0.00%
Newton Instrument Company	-	-	0.00%	19,147,031	5	0.61%
Georgia Pacific Corp	-	-	0.00%	17,243,295	10	0.55%
Athol Manufacturing Corp.	-	-	0.00%	17,757,008	8	0.56%
Alaris Medical Systems, Inc.	-	-	0.00%	18,071,363	7	0.57%
Totals	<u>\$ 311,067,943</u>		<u>7.86%</u>	<u>\$ 235,443,805</u>		<u>5.77%</u>

Source: Granville County Tax Department

TABLE 10

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

<b>Fiscal Year Ended December 31</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2003	\$ 17,997,517	\$ 17,048,343	94.73%	\$ 893,469	\$ 17,941,812	99.69%
2004	18,238,111	17,328,380	95.01%	854,515	18,182,895	99.70%
2005	19,036,984	18,176,364	95.48%	799,679	18,976,043	99.68%
2006	22,031,861	20,892,320	94.83%	1,074,563	21,966,883	99.71%
2007	23,253,821	21,965,301	94.46%	1,013,885	22,979,186	98.82%
2008	26,387,480	25,234,247	95.63%	911,949	26,146,196	99.09%
2009	27,319,983	26,261,609	96.13%	871,447	27,133,056	99.32%
2010	30,180,232	29,039,361	96.22%	725,046	29,764,407	98.62%
2011	\$ 31,512,371	\$ 30,623,639	97.18%	\$ -	\$ 30,623,639	97.18%

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 NINE FISCAL YEARS\***

Fiscal Year	Governmental Activities				Business-type Activities	Total Primary Government	Per Capita	Percentage of Personal Income
	General Obligation Bonds	Installment Obligations	Certificates of Participation	Capital Leases	Capital Leases			
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%
2011	\$ 46,110,000	\$ 3,990,096	\$ 16,000,000	\$ -	\$ -	\$ 66,100,096	1,092	4.82%

\* 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: Per Capita amounts are based on population numbers 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 NINE FISCAL YEARS\***

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Personal Income</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per 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
2011	\$ 46,110,000	\$ -	\$ 46,110,000	3.36%	1.17%	762

\* 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 NINE FISCAL YEARS\***

	<b>Fiscal Year</b>								
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
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	\$ 316,454,846
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	53,041,051
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>	<u>\$ 263,413,795</u>
Total net debt applicable to the limit as a percentage of debt limit	11.29%	10.36%	20.11%	18.00%	20.24%	19.70%	17.86%	19.55%	16.76%
<b>Legal Debt Margin Calculation for Fiscal Year 2010</b>									
Assessed value									\$ 3,955,685,576
Add back: exempt real property									-
Total assessed value									<u>3,955,685,576</u>
Debt limit (8% of total assessed value)									316,454,846
Debt applicable to limit:									
General obligation bonds									46,110,000
Installment Obligations									3,990,096
Certificates of Participation									16,000,000
Lease Financing Agreements - Governmental Activities									-
Lease Financing Agreements - Business-type Activities									-
Notes Payable-Component Unit									2,940,955
Less: Amount set aside for repayment of general obligation debt									-
Total net debt applicable to limit									<u>53,041,051</u>
Legal debt margin									<u>\$ 263,413,795</u>

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

TABLE 14

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

<b>Fiscal Year</b>	<b>Population</b>	<b>Per Capita Total Personal Income</b>	<b>Percent High School Graduate *</b>	<b>Percent Bachelor's Degree or Higher *</b>	<b>School Enrollment</b>	<b>Unemployment 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%
2011	60,547	22,667	78.3	14	8,545	10.5%

\* 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>2011</b>				<b>2008</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
Revlon	1,450	1	5.70%	Revlon	2,000	1	7.74%
Altec Industries	400	2	1.57%	Altec Industries	400	2	1.55%
Certainteed Corporation	300	3	1.18%	Food Lion Distribution	370	3	1.43%
Food Lion Distribution	300	4	1.18%	Flextronics	350	4	1.35%
Flextronics	250	5	0.98%	Certainteed Corporation	325	5	1.26%
Ideal Fastener	190	6	0.78%	Ideal Fastener	300	6	1.16%
Bridgestone Commercial Solutions	177	7	0.75%	Clayton Homes	175	7	0.68%
Newton Instrument Co.	170	8	0.67%	Newton Instrument Co.	175	8	0.68%
Clayton Homes	150	9	0.59%	Bandag, Inc.	170	9	0.66%
Santa Fe Natural	142	10	0.56%	Gate Precast	170	10	0.66%
Gate Precast	125	11	0.49%	PalletOne of North Carolina, Inc.	165	11	0.64%
PalletOne of North Carolina, Inc.	109	12	0.43%	Carolina Sunrock	145	12	0.56%
Dill Air Controls Products, LLC	107	13	0.42%	Santa Fe Natural Tobacco Co.	135	13	0.52%
Carolina Sunrock	66	14	0.26%				
Plastic Ingenuity	65	15	0.26%				
Total	<u>4,001</u>		<u>15.82%</u>	Total	<u>4,880</u>		<u>18.89%</u>

Source: Information from Granville County Economic Development Commisison



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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Function</b>									
General Government	29	31	31	39	39	38	40	34	34
Human Services	85	87	90	95	95	98	98	84	84
Community Services	26.5	26.5	28.5	34.5	35.5	37	37	29	29
Public Safety									
Sheriff's Dept./Detention Center	70	74	77	79.5	79.5	85	85	89	93
Emergency Services	67	71	77	77.5	78.5	78.5	78.5	61	61
Emergency Management	1.5	1.5	1.5	3.5	3.5	3.5	3.5	3	3
Solid Waste	2	3	3	5	5	5	5	4	4
Water & Sewer	3	3	3	3	3	0	0	0	0
Total	284	297	311	337	339	345	347	304	308

Source: Granville County Finance Department

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

TABLE 17

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

Function	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety/Sheriff									
Incident Reports**	2,274	1,561	1,611	2,069	1,780	2,072	7,641	8,773	10,220
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	1,353
Court Papers	6,473	8,599	9,138	9,195	9,194	8,824	9,096	8,221	8,026
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	2,754
Inspections	125	132	163	167	170	206	141	172	205
Solid Waste									
C & D Landfill Tonnage	34,236	42,850	28,184	28,184	29,920	32,833	19,810	16,493	17,171
Convenience Sites Tonnage	6,870	7,387	7,548	7,548	8,563	8,808	8,572	8,635	8,248
Civil Citations	13	12	5	5	6	3	5	4	10
Criminal Citations	2	2	1	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	8,903
Circulation	138,494	144,726	156,423	155,110	154,080	159,820	165,076	178,460	186,335
Internet Use	18,651	14,731	19,013	28,995	31,647	42,658	68,323	36,648	42,276
Program Attendance	8,451	6,121	9,951	7,762	11,803	10,564	6,347	4,378	4,261
Community Services/Planning & Inspections									
Number of Building Permits Issued	321	445	467	613	736	672	612	573	443
Number of Mobile Home Permits Issued	210	144	118	105	80	121	69	60	61
Number of Other Permits Issued (Includes Electrical, Plumbing & Mechanical)	841	837	675	848	507	431	466	548	574
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	2,340
Average # Family & Child Medicaid Cases	2,127	2,456	2,577	2,839	3,116	3,281	3,562	4,031	4,168
Average # Households Receiving Food Stamps	1,283	1,518	1,701	1,953	2,077	2,173	2,365	3,041	3,738
Average \$ Fraud Collections per Month	4,301	3,159	2,501	2,432	3,802	4,147	4,242	3,853	3,313
Education									
School enrollment	8,503	8,649	8,677	8,704	8,756	8,831	8,786	8,637	8,545

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 reports.

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

Function	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety									
Sheriff (Stations)	2	2	2	2	2	2	2	2	2
Fire stations	14	14	14	14	14	14	14	14	14
Highways and streets									
Streets (miles)	848	918	918	918	924	1508	1508	1510	1528
Culture and recreation									
Parks	1	1	1	1	1	1	2	2	2
Libraries	4	4	4	4	4	4	4	4	4
Education									
Schools	14	14	14	16	18	18	18	18	18

Source: North Carolina Department of Public Instruction, Granville County  
Granville County Finance Office

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

## **COMPLIANCE SECTION**

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

Certified Public Accountants



America Counts on CPAs

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## 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, 2011, which collectively comprises Granville County's basic financial statements, and have issued our report thereon dated December 12, 2011. 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, 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 County Tourism Development Authority and South Granville Memorial Gardens were not audited in accordance with Government Auditing Standards.

### Internal Control Over Financial Reporting

Management of Granville County is responsible for establishing and maintaining effective 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.

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.

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### **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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of Granville County, in a separate letter dated December 12, 2011.

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 12, 2011

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

Certified Public Accountants



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## 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, 2011. 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 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, 2011.

### 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

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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 12, 2011.

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 12, 2011



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## 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, 2011. 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, 2011.

### 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

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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 12, 2011.

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 12, 2011

**GRANVILLE COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**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
93.659	Adoption Assistance

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 1,356,572

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, 2011**

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Identification of major state Programs:

Program Name

Medical Assistance

Public Water Supply PWSS

II. Financial Statement Findings

None reported.

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, 2011**

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**Section II - Financial Statement Findings**

None reported.

**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, 2011**

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**Prior Year Audit Findings:**

Financial Statement Findings

Finding 10-1

Status: The County continues to monitor its expenses to verify no over expenditure.

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, 2011**

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL (DIRECT & PASS- THROUGH) EXPENDITURES	STATE 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	\$ 8,794	\$ -
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Social Services:			
Administration:			
<u>Food Stamp Cluster:</u>			
State Administrative Matching			
Grants for the Food Stamp Program	10.561	390,943	-
Total Food Stamp Cluster		390,943	-
Total U.S. Dept. of Agriculture		399,737	-
<u>U.S. Dept of Homeland Security</u>			
Passed-through N.C. Dept. of Crime Control and Public Safety:			
Emergency Food and Shelter	97.024	4,446	-
Total Federal Emergency Management		4,446	-
<u>U. S. Department of Housing and Urban Development</u>			
<u>Passed-through the NC Department of Commerce:</u>			
Communtiy Development Block Grant	14.228	108,057	
<u>U. S. Dept. of Justice</u>			
<u>Bureau of Justice Assistance</u>			
State Criminal Alient Assistance Program	16.606	10,670	-
Bullet Proof Vest	16.607	2,945	-
Edward Byrne Memorial Formula Grant	16.738	21,168	-
AFFA Edward Byrne Memorial Formula Grant	16.804	46,438	-
Total U. S. Dept. of Justice		81,221	-
<u>U.S. Dept. of Energy</u>			
N.C. Department of Commerce State Energy Office			
ARRA Energy Efficiency Conservation Block Grant	81.128	82,075	-
<u>Institute of Museum and Library Services</u>			
<u>Library Services and Technology Act LSTA</u>			
N.C. Department of Cultural Resources			
State Library of North Carolina	45.310	5,249	-
<u>U.S. Dept. of Transportation</u>			
<u>Federal Highway Administration FHWA</u>			
Passed through the N.C. Dept. of Transportation			
ARRA Highway Planning and Contstruction	20.205	20,615	-
Capital Assistance Program	20.513	56,640	7,080

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

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL (DIRECT & PASS- THROUGH) EXPENDITURES	STATE EXPENDITURES
<u>Elections Assistance Commission</u>			
State Board of Elections			
HAVA Grant	90.401	41,446	-
<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	4,102	262
Family Caregiver Support	93.052	4,749	303
Special Programs for the Aging-Title III B			
Grants for Supportive Services and Senior Centers	93.044	110,885	171,853
Special Programs for the Aging-Title III C			
Nutrition Services	93.045	23,116	1,475
Home Delivered Meals	93.045	16,513	12,974
Total Aging Cluster		159,365	186,867
<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	141,859	14,692
Foster Care - Direct Benefit Payments	93.658	121,827	27,614
Adoption Assistance - Direct Benefit Payments	93.659	126,881	30,394
Total Foster Care and Adoption Cluster		390,567	72,700
Temporary Assistance for Needy Families (TANF)	93.558	628,541	-
TANF-Direct Benefit Payments	93.558	591,877	-
N. C. Child Support Enforcement	93.563	447,024	13
<b>ARRA</b> - CSE Incentive	93.563	18,316	-
Promoting Safe and Stable Families	93.556	5,400	-
Low-Income Home Energy Assistance Block Grant:			
Energy Assistance Administration	93.568	285,529	-
Energy Assistance Payments-			
Direct Benefit Payments	93.568	367,433	-
Child Welfare Services	93.645	25,128	2,983
SSBG-Other Service and Training	93.667	202,981	56,106
Family Violence Prevention	93.671	1,550	-
Independent Living Grant	93.674	12,301	3,075
Direct Benefit Independent Living	93.674	100	-
Total Administration for Children and Families		2,976,647	134,877



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

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL (DIRECT & PASS- THROUGH) EXPENDITURES	STATE EXPENDITURES
State Board of Elections: HHS Election Assistance	93.617	33,008	-
<u>Administration for Children and Families (cont.)</u>			
Division of Child Development: <u>Subsidized Child Care</u>			
Child Care Development Fund Cluster:			
Division of Social Services:			
Child Care Development Fund-Administration	93.596	99,662	-
Division of Child Development:			
Child Care and Development Block Grant	93.575	514,146	-
Child Care and Development Fund-Mandatory	93.596	224,987	-
Child Care and Development Fund-Match	93.596	263,625	143,410
Total Child Care Development Fund Cluster		1,102,420	143,410
Social Services Block Grant	93.667	7,508	-
TANF	93.558	169,481	-
Smart Start		-	13,460
TANF-Maintenance of Effort		-	136,094
ARRA Emergency Contingency Fund for TANF-State Programs	93.714	99,027	-
State Appropriations		-	165,260
Total Subsidized Child Care Cluster		1,378,436	458,224
<u>Centers for Medicare and Medicaid Services</u>			
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Medical Assistance:			
Direct Benefit Payments:			
Medical Assistance Program	93.778	39,283,462	15,589,262
Division of Social Services:			
Administration:			
Medical Assistance Program	93.778	558,346	22,645
State Children's Insurance Program-			
N.C. Health Choice	93.767	25,678	-
Passed-through Dept. of Insurance			
SHIP Grant	93.779	4,544	-
Total U.S. Dept. of Health and Human Services		44,419,586	16,391,875
Total federal awards		45,219,072	16,398,955
<b>STATE AWARDS:</b>			
<u>N.C. Dept. of Cultural Resources</u>			
Division of State Library			
State Aid to Public Libraries		-	124,298
Total N.C. Dept. of Cultural Resources		-	124,298

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

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL (DIRECT & PASS- THROUGH) EXPENDITURES	STATE EXPENDITURES
<u>N.C. Dept. of Health and Human Services</u>			
Division of Aging and Adult Services:			
Passed through the Kerr-Tar Council of Governments			
Senior Center Development		-	20,408
Division of Social Services:			
State/County Special Assistance for			
Adults-Direct Benefit Payments		-	435,818
State Foster Care Benefits Program-Direct		-	13,580
State Foster Care at Risk Max-Direct Program Benefit		-	647
State Foster Care at Risk Direct		-	681
CWS Adoption Subsidy-Direct		-	184,231
Energy Assistance		-	11,060
Incentive/Program Integrity		-	2,138
Smart Start		-	36,141
State Foster Home-Direct		-	46,955
SFHF Maximization-Direct		-	78,291
Total N.C. Dept. of Health and Human Services		-	809,542
<u>N.C. Department of Public Instruction</u>			
Public School Building Capital Fund		-	1,488,000
Total N.C. Department of Public Instruction		-	1,488,000
<u>N.C. Dept. of Environmental and Natural Resources</u>			
Soil Technician Grant		-	25,500
Public Water Supply PWSS			
Hester Water Project		-	566,810
Total N.C. Dept. of Environmental and Natural Resources		-	592,310
<u>N.C. Dept. of Transportation</u>			
Rural Operating Assistance Program (ROAP)			
ROAP Elderly and Disabled Transportation			
Assistance Program		-	79,986
ROAP Rural General Public Program		-	91,864
ROAP Work First Transitional-Employment		-	25,567
Total N.C. Dept of Transportation		-	197,417
<u>N.C. Dept. of Commerce</u>			
Department of Commerce			
Economic Development One North Carolina Fund		-	82,500

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

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL (DIRECT & PASS- THROUGH) EXPENDITURES	STATE EXPENDITURES
<u>N.C Dept. Juvenile Justice and Delinquency Prevention</u>			
Juvenile Crime Prevention Programs		-	154,481
<u>N.C. Dept. of Administration</u>			
Grant Veteran Service		-	2,000
Total State awards		-	3,470,956
Total federal and State awards		\$ 45,219,072	\$ 19,869,911

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

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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	-	-	1,488,000
Rural General Public Program (ROAP)	-	-	91,864
EDTAP (ROAP)	-	-	79,986
N.C. Dept. of Juvenile Justice and Delinquency Prevention			154,481

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