

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**Granville County,
North Carolina
For the Fiscal Year Ended
June 30, 2012**



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 27, 2012

**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, 2012, 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. Management does not expect that the County's internal controls will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. 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, 2012 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, 2012 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, 2012. 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 System 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 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 Cardinal Innovations Healthcare Solutions – Five County Community Operations Center.

The annual budget provides the foundation for the County's financial planning and control. The budget is a legally adopted ordinance that is developed with 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 October 2011 the unemployment rate for Granville County was 10.4%, but by October 2012 it has decreased to 9.0%.

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 of 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 fifty years of progress in 2009 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 students engaged. 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. The use of management's 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 15-20 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 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 funds utilized. 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, 2011. This was the thirteenth 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.

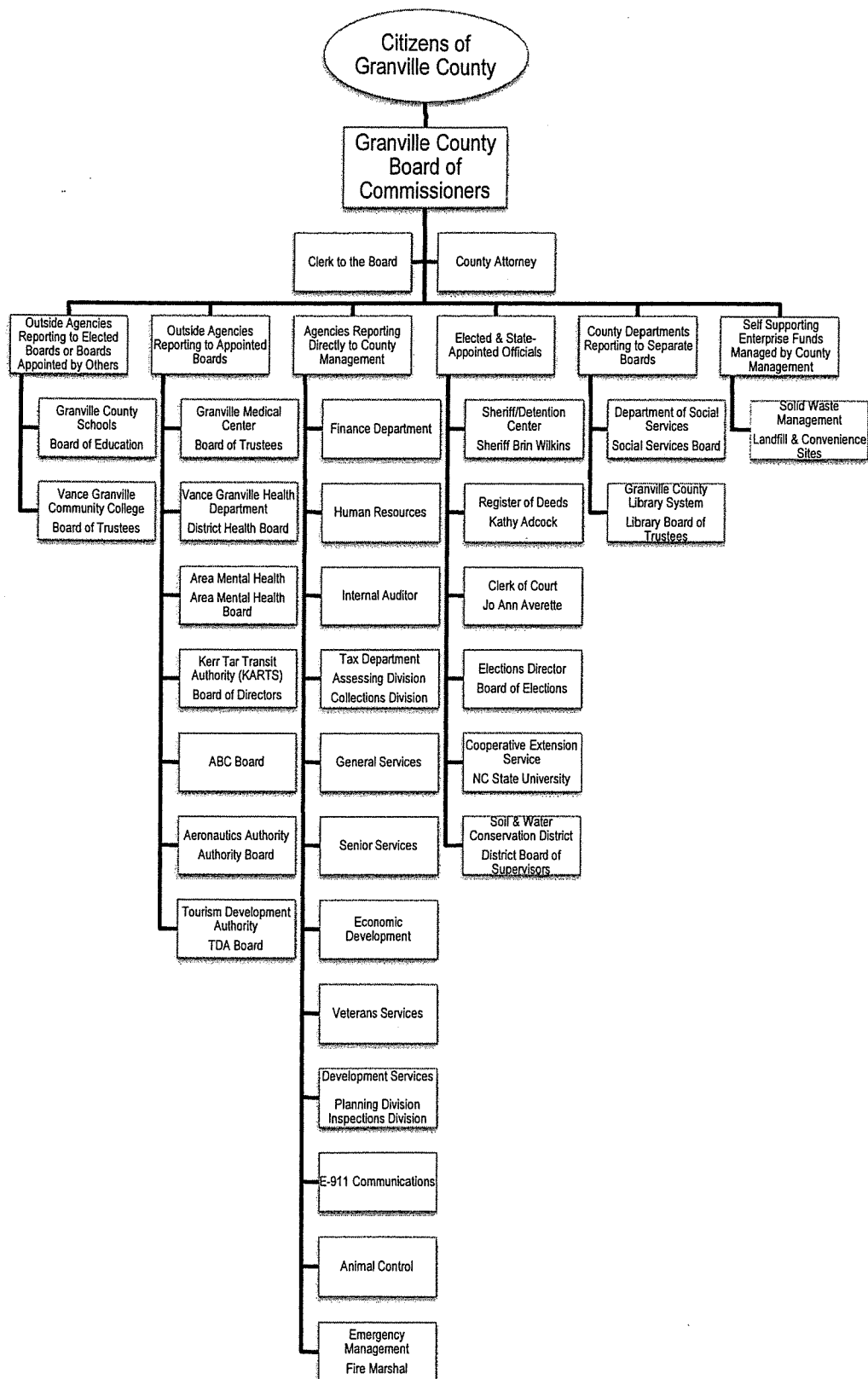
We appreciate the assistance and dedication of all employees in carrying out the services and programs approved by the Board of Commissioners. Preparation of this report would not have been possible without the dedicated efforts of the entire Finance Department staff and our independent auditors, Winston, 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, 2012

**Board of County
Commissioners**

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

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
Bill Edwards
Jay Johnson
Monique Heggie
Cathy Hartley
Alicia Sparks
Gary Bowen
Warren Daniel
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
Interim Economic Development Director
Parks/Grounds Maintenance Director
Internal Auditor
Chief Animal Control Officer
Acting 911 Center Manager
Maintenance Supervisor
SCS District Administrator
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, 2011

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.



Linda C. Danison

President

Jeffrey R. Emer

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
Tara H. Roberson, CPA

Independent Auditor's Report

To the Board of County Commissioners
Granville County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Granville County, North Carolina, as of and for the year ended June 30, 2012, 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, 2012, 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.

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In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2012, on our consideration of Granville County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, and the Other Postemployment Benefit and Law Enforcement Officers' Special Separation Allowance Schedules of Funding Progress and Employer Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Franklin County, North Carolina statements as a whole. The introductory information, combining and individual nonmajor fund financial 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 not a required part of the 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 are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditor in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory information and the statistical tables have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Winston, Williams, Creech, Evans & Company. LLP

Winston, Williams, Creech, Evans & Company, LLP
Certified Public Accountants
December 27, 2012



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, 2012. 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

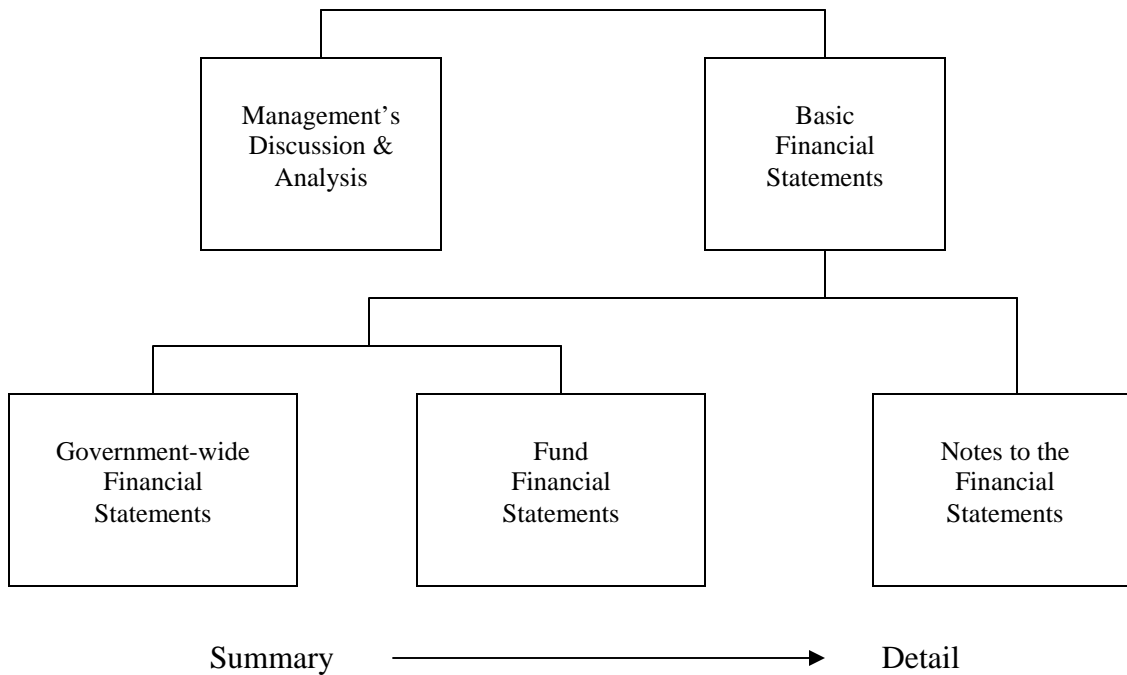
- The liabilities of Granville County (Primary Government) exceeded its assets at the close of the fiscal year by \$17,111,361 (*net assets*).
- The primary government's total liabilities increased by \$18,101,835 when compared with the previous fiscal year. This increase resulted primarily from the issuance of Hospital facility and industrial development related debt.
- At the end of the current fiscal year, Granville County's governmental funds reported combined ending fund balances of \$37,373,575 after a net increase of \$2,184,484. Approximately sixty-one (61.3%) of this total amount, or \$22,895,247 is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$11,005,418, or twenty percent (20%) of total general fund expenditures for the fiscal year.
- Granville County's total debt increased by \$17,323,102 during the current fiscal year. The key factors in this increase are the issue of \$14,000,000 of Hospital facility and \$8,048,861 of Industrial Development installment financing debt.

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 two kinds of proprietary funds. *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. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the functions of the County. The County uses an internal service fund to account for one activity – its County Health Plan. Because this operation benefits predominantly governmental rather than business-type activities, the internal service fund has been included within the governmental activities in the government-wide financial statements.

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 43 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 76 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 \$17,111,361 as of June 30, 2012. The County's net assets decreased by \$8,874,746 for that same time period. The largest portion, \$22,894,879 represents resources that are subject to external restrictions how they may be used. These include such items as financing proceeds for school or medical facilities or unexpended grant funds held for current projects. \$7,679,933 reflects the County's investment in capital assets less any related debt still outstanding that was issued to acquire those items. Capital assets are used by the County to provide services to citizens; consequently, these assets are not available for future spending or debt service. Resources needed to repay the debt associated with Capital assets must be provided by other sources. The remaining balance \$(47,686,173) is unrestricted. Because the County carries the debt associated with school facilities, yet does not include those facilities on its' books, a negative unrestricted balance is not uncommon while the school related debt is outstanding.

Granville County's Net Assets
Figure 2

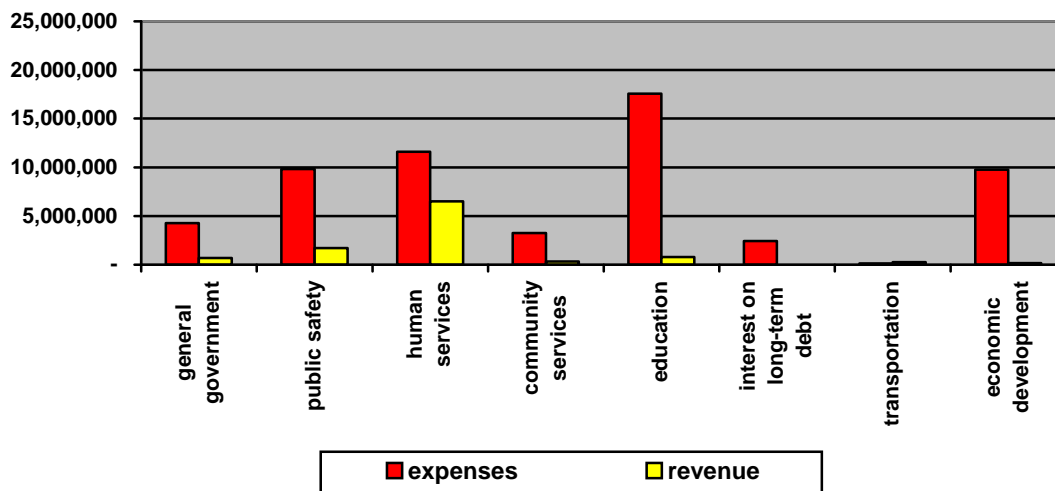
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 42,312,128	\$ 41,073,537	\$ 5,388,789	\$ 5,917,556	\$ 47,700,917	\$ 46,991,093
Capital assets	31,486,702	23,611,028	1,930,932	1,289,341	33,417,634	24,900,369
Total assets	\$ 73,798,830	\$ 64,684,565	\$ 7,319,721	\$ 7,206,897	\$ 81,118,551	\$ 71,891,462
Long-term liabilities outstanding	\$ 89,348,045	\$ 70,320,725	\$ 6,634,343	\$ 6,542,005	\$ 95,982,388	\$ 76,862,730
Other liabilities	1,838,255	3,149,105	409,269	116,242	2,247,524	3,265,347
Total liabilities	\$ 91,186,300	\$ 73,469,830	\$ 7,043,612	\$ 6,658,247	\$ 98,229,912	\$ 80,128,077
Net assets:						
Invested in capital assets, net of related debt	\$ 5,749,001	\$ 13,168,461	\$ 1,930,932	\$ 1,289,341	\$ 7,679,933	\$ 14,457,802
Restricted	22,894,879	13,824,466	-	-	22,894,879	13,824,466
Unrestricted	(46,031,350)	(35,778,192)	(1,654,823)	(740,690)	(47,686,173)	(36,518,882)
Total net assets	\$ (17,387,470)	\$ (8,785,265)	\$ 276,109	\$ 548,651	\$ (17,111,361)	\$ (8,236,614)

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 remained fairly consistent from the previous year from 97.18% to 97.15%.
- Sales tax revenues increased approximately \$583,059, or twelve percent (11.8%) due to changing economic conditions in the County and State.
- The increase to long-term liabilities have a significant impact on the unrestricted net assets since the County does not retain the school facilities on their financial statements as assets. The County carries the school related debt and the assets are recorded on the local education unit's financial statements as assets.
- 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 \$6,571,099 to be expended over the next 26 years.

Governmental activities. Governmental activities decreased the County's net assets by \$8,602,205. Investments in education (Tar River Elementary School) and in Economic Development (Triangle North – Granville Industrial Site) are the primary drivers in the increased Governmental activities for fiscal year 2011-2012. The Charts, Table, and bulleted information provide more information related to governmental activities for the past two years.

Expenses and Program Revenues – Governmental Activities

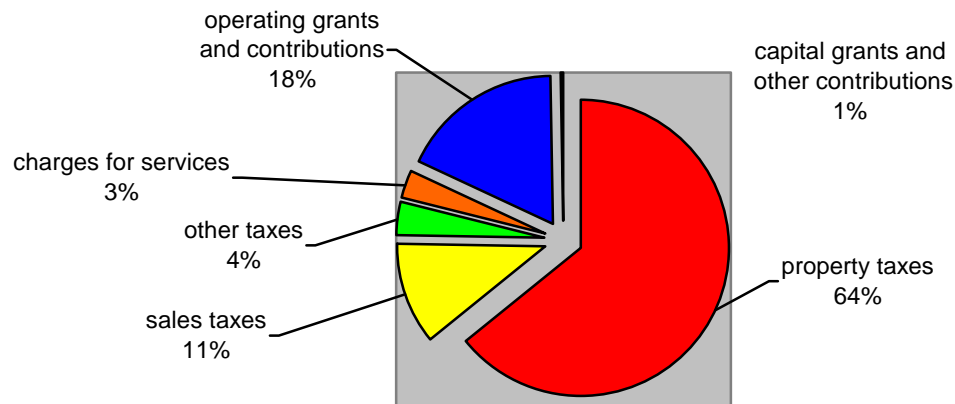


Granville County's Changes in Net Assets
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues:						
Charges for services	\$ 1,547,982	\$ 3,014,768	\$ 1,540,903	\$ 1,680,396	\$ 3,088,885	\$ 4,695,164
Operating grants and contributions	8,773,500	7,863,984	-	-	8,773,500	7,863,984
Capital grants and contributions	147,875	198,058	4,692	4,137	152,567	202,195
General revenues:						
Property taxes	31,803,407	31,614,844	-	-	31,803,407	31,614,844
Other taxes	7,290,381	6,505,406	-	-	7,290,381	6,505,406
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Other	671,146	506,086	4,524	3,865	675,670	509,951
Total revenues	50,234,291	49,703,146	1,550,119	1,688,398	51,784,410	51,391,544
Expenses:						
General government	4,259,610	3,557,567	-	-	4,259,610	3,557,567
Public safety	9,823,361	8,745,611	-	-	9,823,361	8,745,611
Transportation	135,410	161,525	-	-	135,410	161,525
Economic and physical development	9,772,776	560,181	-	-	9,772,776	560,181
Human services	11,590,347	11,189,177	-	-	11,590,347	11,189,177
Community services	3,246,796	3,219,464	-	-	3,246,796	3,219,464
Education	17,583,181	24,697,465	-	-	17,583,181	24,697,465
Interest on long-term debt	2,425,015	2,423,796	-	-	2,425,015	2,423,796
Landfill	-	-	1,822,661	1,721,247	1,822,661	1,721,247
Other	-	-	-	-	-	-
Total expenses	58,836,496	54,554,786	1,822,661	1,721,247	60,659,157	56,276,033
Increase (decrease) in net assets before transfers and special items	(8,602,205)	(4,851,640)	(272,542)	(32,849)	(8,874,747)	(4,884,489)
Transfers	-	(2,973,770)	-	2,973,770	-	-
Increase (decrease) in net assets	(8,602,205)	(7,825,410)	(272,542)	2,940,921	(8,874,747)	(4,884,489)
Net assets, beginning	(8,785,265)	(959,855)	548,651	(2,392,270)	(8,236,614)	(3,352,125)
Net assets, ending	\$ (17,387,470)	\$ (8,785,265)	\$ 276,109	\$ 548,651	\$ (17,111,361)	\$ (8,236,614)

- In fiscal year 2011-2012, the County purchased the Triangle North – Granville Site, maintaining the Tier I development credits associated with the property. The County also negotiated and financed, through an inter-local financing arrangement with the City of Henderson, water and sewer allocations for the site sufficient to provide services to targeted industries.
- Expenses for education include \$4,744,076 due to the construction of the Tar River Elementary School in the southern end of the County.
- Granville County continues to solicit additional grant revenues for planned capital projects and has been successful over the past few years to obtain grants related to the build out of recreational projects, energy improvements and enhancements for General Governmental facilities, and for improvements to Human Services related facilities to improve accessibility.

Revenues by Source – Governmental Activities

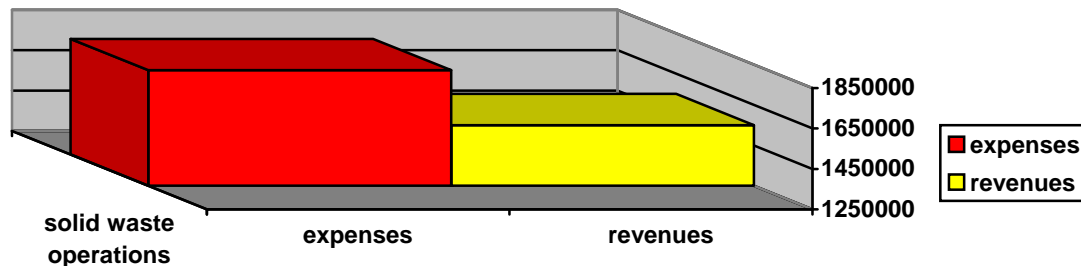


Business-type activities. Business-type activities decreased the County's net assets by \$272,542, which represents approximately fifteen percent (14.9%) of the total business-type expenses.

- Granville County operates convenience sites for the collection of municipal solid waste (MSW) and operates a Construction and Demolition (C&D) Landfill. Revenues associated with the C&D Landfill are directly impacted by area construction activity.

- Labor costs and associated benefits continue to affect the Solid Waste operations during decreases in services. This affects both County staff and contracted services related to the operation of the convenience sites.
- The County is currently constructing a MSW landfill which will open in 2013.

Fiscal Year 2011-2012 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 \$11,005,418 while total fund balance reached \$31,112,214. The remainder of fund balance, \$20,106,796 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 20% percent of total General Fund expenditures, while total fund balance represents 56.5 percent of that same amount.

At June 30, 2012, the governmental funds of Granville County reported a combined fund balance of \$37,373,575, a 6.2 percent increase from last year. The primary reason for this increase is related to financing proceeds held for continuing projects. In preparing for fiscal year 2012-2013, the Granville County Board of Commissioners appropriated \$1,418,657 of fund balance for the General Fund to balance the 2012-2013 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 \$2,410,701.

Economic conditions and State legislative changes effecting sales tax distributions in prior fiscal years continue to provide challenges to calculating accurate estimates for sales tax proceeds. The County took a more conservative approach when estimating fiscal year 2011-2012 Sales Tax & Other Tax revenues, and underestimated this revenue source by \$1,096,063 or 15%.

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 \$(1,654,823). The total change in net assets for the fund was \$(272,542). This change in net assets primarily results from decreased revenues due to economic conditions and increasing labor expenses.

In June 2012, Granville County established the County Health Plan Fund, an *Internal Service Fund*, to account for premium and claims associated with the County self-funded health insurance plan.

Capital Asset and Debt Administration

Capital Assets: Granville County's capital assets for its governmental and business-type activities as of June 30, 2012 totals \$33,417,634 (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:

- Purchase of the Triangle North – Granville site (land).
- New vehicles and equipment were purchased primarily in the Public Safety Departments.
- Renovations were started on the County's Orange Street Facility.
- Engineering, planning, and permitting work continued on a landfill construction/expansion and construction began in 2012. The MSW Landfill is scheduled to open in 2013.
- Completion of renovation of the Granville Convention and Expo Center which began in fiscal year 2010-2011.

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

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 6,401,791	\$ 1,046,618	\$ 1,020,695	\$ 1,020,695	\$ 7,422,486	\$ 2,067,313
Buildings	9,827,414	9,667,433	30,014	854	9,857,428	9,668,287
Improvements other than buildings	5,145,397	4,788,551	251,024	260,913	5,396,421	5,049,464
Machinery and equipment	1,059,729	947,447	93,846	6,879	1,153,575	954,326
Construction in progress	9,052,371	7,160,979	535,353	-	9,587,724	7,160,979
Total	\$ 31,486,702	\$ 23,611,028	\$ 1,930,932	\$ 1,289,341	\$ 33,417,634	\$ 24,900,369

Additional information on Granville County's capital assets can be found in the notes to the financial statements beginning on page 56 of this report.

Long-term debt. At the end of fiscal year 2012, Granville County had total bonded debt outstanding of \$43,363,248, 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	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$43,363,248	\$ 46,635,414	\$ -	\$ -	\$ 43,363,248	\$ 46,635,414

Granville County's total general obligation debt decreased by \$3,272,166 (6.9 percent) during fiscal year 2011-2012 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 AA2, AA-, and 84 respectively associated with general obligation debts issued in 2010 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 \$235,092,785, 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 66 of this report.

Economic Factors and Next Year's Budgets and Rates

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

- The County is experiencing an unemployment rate of 9%, slightly higher than the state average of 8.8%, as of October 2012. This reflects conditions resulting from the overall downturn in the economy, and has improved from 10.4% in October 2011.
- Total taxable sales for the County for fiscal year 2011-2012 were \$247,796,008, slightly up from taxable sales in fiscal year 2010-2011 of \$234,782,071.
- Shalag Industries Ltd., an international supplier of nonwoven fabrics used in the hygiene and wipes markets, began the Phase II expansion of their facility. The company is investing more than \$12 million and creating an additional 25 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.

Budget Highlights for the Fiscal Year Ending June 30, 2013

Governmental Activities: The approved budget for fiscal year 2012-2013 maintains the tax rate of 79.5 cents. The tax base is projected to provide revenues of \$31,040,736 when calculated with the current collection percentage rate. The total projected assessed valuation for the County is \$4,017,797,027 for fiscal year 2012-2013.

Budgeted expenditures for fiscal year 2012-2013 in the General Fund reflect an increase from the previous fiscal year original budget of 4.1%. This is due primarily to increased debt service and labor costs.

The fiscal year 2012-2013 budget appropriates \$1,418,657 of available fund balance, to balance the general fund budget. Total revenues, excluding appropriated fund balance, reflect an increase of approximately 1.6% from the previous year original budget.

Business-type Activities: The budget for the operation of the solid waste activities reflects a 4.2% increase in operating expenditures due primarily to increases in service contracts and labor costs. The Solid Waste operations continue to focus and work towards the expansion of the County landfill system. This expansion will add to the long-term capacity of the landfill.

Requests for Information

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

Michael S Felts

Michael S. Felts
Finance Director

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

GRANVILLE COUNTY, NORTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2012

	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
ASSETS							
Cash and cash equivalents	\$ 18,245,070	\$ 2,799,014	\$ 21,044,084	\$ 1,013	\$ 899,743	\$ 284,257	\$ 142,617
Taxes receivable	2,219,161	-	2,219,161	-	-	-	-
Accrued interest receivable	569,595	-	569,595	-	-	-	-
Accounts receivable	2,830,344	147,511	2,977,855	18,037,053	-	-	19,546
Inventories	-	-	-	1,047,616	128,515	-	2,688
Prepaid items	368	-	368	284,850	9,439	-	-
Due from governmental uni	-	-	-	-	-	32,239	-
Restricted assets:							
Cash and cash equivalents	17,685,866	2,442,264	20,128,130	-	-	-	100,000
Assets whose use is limited	-	-	-	24,030,100	-	-	-
Goodwill	-	-	-	690,005	-	-	-
Investment in affiliated organization	-	-	-	-	-	-	-
Deferred charges-issuance costs	324,846	-	324,846	-	-	-	-
Deferred charges-refunding costs	436,878	-	436,878	-	-	-	-
Capital assets							
Land, improvements, and construction in progress	15,454,162	1,556,048	17,010,210	2,884,691	110,877	-	39,534
Other capital assets, net of depreciation	16,032,540	374,884	16,407,424	12,499,242	146,985	-	21,661
Total capital assets	31,486,702	1,930,932	33,417,634	15,383,933	257,862	-	61,195
Total Assets	\$ 73,798,830	\$ 7,319,721	\$ 81,118,551	\$ 59,474,570	\$ 1,295,559	\$ 316,496	\$ 326,046
LIABILITIES							
Accounts payable & accrued liabilities:	\$ 1,124,341	\$ 409,269	\$ 1,533,610	\$ 5,587,309	\$ 395,328	\$ 36	\$ -
Accrued interest payable	556,578	-	556,578	-	-	-	-
Unearned revenues	125,097	-	125,097	-	-	-	600
Due to fiduciary funds	32,239	-	32,239	-	-	-	-
Long-term liabilities:							
Due within one year							
Bonds payable	3,210,000	-	3,210,000	-	-	-	-
Notes and COPS payable	876,436	-	876,436	332,086	-	-	-
Financing agreement payable	850,528	-	850,528	-	-	-	-
Compensated absences payable	193,811	3,142	196,953	1,743,685	-	-	-
Due in more than one year							
Bonds payable	40,153,248	-	40,153,248	-	-	-	-
Notes and COPS payable	32,240,748	-	32,240,748	16,243,446	-	-	-
Financing agreement payable	7,198,333	-	7,198,333	-	-	-	-
Accrued landfill closure and postclosure costs	-	6,571,099	6,571,099	-	-	-	-
Compensated absences payable	581,431	9,427	590,858	-	-	-	-
Other postemployment benefits obligation	3,551,877	50,675	3,602,552	-	28,133	-	-
Net pension obligation	491,633	-	491,633	-	-	-	-
Total long-term liabilities	89,348,045	6,634,343	95,982,388	18,319,217	28,133	-	-
Total Liabilities	91,186,300	7,043,612	98,229,912	23,906,526	423,461	36	600
NET ASSETS							
Invested in capital assets, net of related deb	5,749,001	1,930,932	7,679,933	12,810,288	257,862	-	61,195
Restricted for:							
Stabilization by State Statute	2,830,344	-	2,830,344	-	-	32,239	19,546
Register of Deeds	33,561	-	33,561	-	-	-	-
Public Safety	194,485	-	194,485	-	-	-	-
Education	1,598,946	-	1,598,946	-	-	-	-
Community Services	2,002,241	-	2,002,241	-	-	-	-
Human Services	13,591,044	-	13,591,044	362,107	-	-	-
Economic and physical developmen	2,644,258	-	-	-	-	-	-
Working Capital	-	-	-	-	93,046	-	-
Cemetery Perpetual Care and Maintenance	-	-	-	-	-	-	100,000
Tourism Related Capital Development	-	-	-	-	-	53,177	-
Unrestricted (deficit)	(46,031,350)	(1,654,823)	(47,686,173)	22,395,649	521,190	231,044	144,705
Total Net Assets	\$ (17,387,470)	\$ 276,109	\$ (17,111,361)	\$ 35,568,044	\$ 872,098	\$ 316,460	\$ 325,446

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

GRANVILLE COUNTY, NORTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets						
		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	\$ 4,259,610	\$ 625,684	\$ 55,955	\$ -	\$ (3,577,971)	\$ -	\$ (3,577,971)				
Public safety	9,823,361	643,455	1,057,350	-	(8,122,556)	-	(8,122,556)				
Transportation	135,410	-	259,741	-	124,331	-	124,331				
Economic and physical development	9,772,776	3,560	27,500	147,875	(9,593,841)	-	(9,593,841)				
Human services	11,590,347	89,602	6,421,666	-	(5,079,079)	-	(5,079,079)				
Community services	3,246,796	185,681	151,288	-	(2,909,827)	-	(2,909,827)				
Education	17,583,181	-	800,000	-	(16,783,181)	-	(16,783,181)				
Interest on long-term debt	2,425,015	-	-	-	(2,425,015)	-	(2,425,015)				
Total governmental activities	58,836,496	1,547,982	8,773,500	147,875	(48,367,139)	-	(48,367,139)				
Business-type activities:											
Solid Waste	1,822,661	1,540,903	-	4,692	-	(277,066)	(277,066)				
Total business-type activities	1,822,661	1,540,903	-	4,692	-	(277,066)	(277,066)				
Component units:											
Granville Medical Center	55,786,765	57,570,450	436,843	132,873	-	-	-	2,353,401	-	-	-
Granville County ABC Board	3,181,372	3,127,344	-	-	-	-	-	-	(54,028)	-	-
Granville County Tourism Development Authority	105,033	-	-	-	-	-	-	-	-	(105,033)	-
South Granville Memorial Gardens	47,635	49,809	-	-	-	-	-	-	-	-	2,174
Total component units	\$ 59,120,805	\$ 60,747,603	\$ 436,843	\$ 132,873	\$ -	\$ -	\$ -	\$ 2,353,401	\$ (54,028)	\$ (105,033)	\$ 2,174
General revenues:											
Taxes:											
Property taxes, levied for general purpose					\$ 31,803,407	\$ -	\$ 31,803,407	\$ -	\$ -	\$ -	\$ -
Local option sales tax					5,512,386	-	5,512,386	-	-	-	-
Other taxes					1,777,995	-	1,777,995	-	-	168,122	-
Investment earnings, unrestricted					61,598	4,524	66,122	35,800	1,327	1,142	263
Miscellaneous, unrestricted					609,548	-	609,548	15,464	-	-	-
Transfers					-	-	-	-	-	-	-
Total general revenues, special items and transfers					39,764,934	4,524	39,769,458	51,264	1,327	169,264	263
Change in net assets					(8,602,205)	(272,542)	(8,874,747)	2,404,665	(52,701)	64,231	2,437
Net assets - beginning					(8,785,265)	548,651	(8,236,614)	33,163,379	924,799	252,229	323,009
Net assets - ending					\$ (17,387,470)	\$ 276,109	\$ (17,111,361)	\$ 35,568,044	\$ 872,098	\$ 316,460	\$ 325,446

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, 2012

	Major	Nonmajor	
	General	Other	Total
	Fund	Governmental	Governmental
		Funds	Funds
<u>ASSETS</u>			
Cash and cash equivalents	\$ 14,833,771	\$ 3,304,903	\$ 18,138,674
Restricted cash	14,760,176	2,925,690	17,685,866
Taxes receivable	2,219,161	-	2,219,161
Accounts receivable	2,694,795	135,549	2,830,344
Prepaid items	368	-	368
Total Assets	<u>\$ 34,508,271</u>	<u>\$ 6,366,142</u>	<u>\$ 40,874,413</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable & accrued liabilities	\$ 1,019,560	\$ 104,781	\$ 1,124,341
Unearned revenues	125,097	-	125,097
Deferred revenues	2,219,161	-	2,219,161
Due to other funds	32,239	-	32,239
Total Liabilities	<u>3,396,057</u>	<u>104,781</u>	<u>3,500,838</u>
Fund balances:			
Nonspendable:			
Prepaid items	368	-	368
Restricted:			
Stabilization by State Statute	2,694,795	135,549	2,830,344
Register of Deeds	33,561	-	33,561
Human Services	13,591,044	-	13,591,044
Education	347,682	1,251,264	1,598,946
Recreation	-	63,319	63,319
Library	-	1,938,922	1,938,922
Public Safety	-	194,485	194,485
Economic and physical development	-	2,644,258	2,644,258
Committed:			
Tax Revaluation	196,283	-	196,283
Public Safety	591,606	-	591,606
Economic and physical development	-	33,564	33,564
Assigned:			
Subsequent year's expenditures	1,418,657	-	1,418,657
Economic and physical development	1,232,800	-	1,232,800
Unassigned:	<u>11,005,418</u>	<u>-</u>	<u>11,005,418</u>
Total Fund Balances	<u>31,112,214</u>	<u>6,261,361</u>	<u>37,373,575</u>
Total Liabilities and Fund Balances	<u>\$ 34,508,271</u>	<u>\$ 6,366,142</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, 2012

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

Total equity and other credits (Exhibit 4)	\$ 37,373,575
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	31,486,702
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	1,331,319
Liabilities for earned but deferred revenues in the fund statements	2,219,161
Internal service fund is used by management to charge insurance costs to individual funds; the assets and liabilities of the internal service fund is included in governmental activities in the statement of net assets	106,396
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	(89,904,623)
Net assets of governmental activities (Exhibit 1)	<u>\$ (17,387,470)</u>

**GRANVILLE COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	Major	Nonmajor	
	General	Other	Total
	Fund	Governmental	Governmental
	Funds	Funds	Funds
<u>REVENUES</u>			
Ad valorem taxes	\$ 31,873,214	\$ -	\$ 31,873,214
Sales and other taxes	7,271,408	-	7,271,408
Licenses, fees and other revenues	2,074,806	-	2,074,806
Restricted intergovernmental revenues	8,901,462	481,281	9,382,743
Investment earnings	57,418	4,180	61,598
Miscellaneous	245,490	48,163	293,653
	<u>50,423,798</u>	<u>533,624</u>	<u>50,957,422</u>
Total Revenues	50,423,798	533,624	50,957,422
<u>EXPENDITURES</u>			
Current			
General government	2,912,726	-	2,912,726
Public safety	8,795,404	1,292,224	10,087,628
Community Services	3,104,090	12,795	3,116,885
Economic and physical development	-	406,286	406,286
Human services	10,683,159	-	10,683,159
Non-Departmental & Special Areas	7,761,846	-	7,761,846
Capital Outlay	-	2,091,297	2,091,297
Intergovernmental			
Education	13,839,105	3,744,076	17,583,181
Debt Service			
Bond issuance cost	-	-	-
Principal	5,225,645	91,537	5,317,182
Interest	2,791,466	21,282	2,812,748
	<u>55,113,441</u>	<u>7,659,497</u>	<u>62,772,938</u>
Total Expenditures	55,113,441	7,659,497	62,772,938
Revenues Over (Under) Expenditures	<u>(4,689,643)</u>	<u>(7,125,873)</u>	<u>(11,815,516)</u>

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, 2012**

	Major	Nonmajor	
	General	Other	Total
	Fund	Governmental	Governmental
	Fund	Funds	Funds
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers from other funds	1,005,231	3,202,338	4,207,569
Transfers to other funds	(3,202,338)	(1,005,231)	(4,207,569)
Issuance of debt	14,000,000	-	14,000,000
Total Other Financing Sources (Uses)	11,802,893	2,197,107	14,000,000
Net Change in Fund Balances	7,113,250	(4,928,766)	2,184,484
Fund Balance - July 1	23,998,964	11,190,127	35,189,091
Fund Balance - June 30	\$ 31,112,214	\$ 6,261,361	\$ 37,373,575

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, 2012

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)	\$ 2,184,484
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	7,876,274
Cost of disposed capital asset not recorded in fund statements	(600)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(69,807)
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.	(17,903,783)
Internal service funds are used by management to charge the costs of health insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities	106,396
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.	(795,169)
Total changes in net assets of governmental activities (Exhibit 2)	\$ (8,602,205)

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
FOR THE YEAR ENDED JUNE 30, 2012

	General Fund			Variance with Final Positive (Negative)
	Original Budget	Final Budget	Actual	
<u>REVENUES</u>				
Ad valorem taxes	\$ 31,436,970	\$ 31,436,970	\$ 31,873,214	\$ 436,244
Sales and other taxes	5,544,967	6,174,745	7,271,408	1,096,663
Licenses, fees and other revenues	1,536,026	1,944,588	2,074,806	130,218
Restricted intergovernmental revenues	8,944,895	10,317,256	8,901,462	(1,415,794)
Investment earnings	300,000	300,000	57,418	(242,582)
Miscellaneous	140,000	140,000	245,490	105,490
Total Revenues	47,902,858	50,313,559	50,423,798	110,239
<u>EXPENDITURES</u>				
General government	2,941,092	3,150,466	2,912,726	237,740
Public safety	8,111,177	9,175,354	8,795,404	379,950
Community services	3,042,036	3,835,157	3,104,090	731,067
Human services	11,323,108	11,900,482	10,683,159	1,217,323
Non-departmental and special areas	1,969,330	23,755,145	7,761,846	15,993,299
Education	13,839,105	13,839,105	13,839,105	-
Contingency	180,000	10,000	-	10,000
Debt Service	7,265,182	8,364,792	8,017,111	347,681
Total Expenditures	48,671,030	74,030,501	55,113,441	18,917,060
Revenues Over (Under) Expenditures	(768,172)	(23,716,942)	(4,689,643)	19,027,299
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers from other funds	-	1,000,000	1,005,231	5,231
Transfers to other funds	-	(3,202,338)	(3,202,338)	-
Proceeds from debt	-	14,000,000	14,000,000	-
Appropriated Fund Balance	768,172	11,919,280	-	(11,919,280)
Total Other Financing Sources (Uses)	768,172	23,716,942	11,802,893	(11,914,049)
Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	7,113,250	\$ 7,113,250
Fund Balance - July 1, as restated			23,998,964	
Fund Balance - June 30			\$ 31,112,214	

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

GRANVILLE COUNTY, NORTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	Major Fund Enterprise Fund Solid Waste Management	Non-major Fund Internal Service Fund County Health Plan Fund
<u>ASSETS</u>		
Current Assets:		
Cash and investments	\$ 2,799,014	\$ 106,396
Restricted cash	2,442,264	-
Accounts receivable	147,511	-
Total Current Assets	<u>5,388,789</u>	<u>\$ 106,396</u>
Noncurrent Assets:		
Capital assets:		
Land, improvements, and construction in progress	1,556,048	-
Other capital assets, net of depreciation	<u>374,884</u>	<u>-</u>
Total Noncurrent Assets	<u>1,930,932</u>	<u>-</u>
Total Assets	<u>\$ 7,319,721</u>	<u>\$ 106,396</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 409,269	-
Compensated absences payable	<u>3,142</u>	<u>-</u>
Total Current Liabilities	<u>412,411</u>	<u>-</u>
Noncurrent Liabilities:		
Accrued landfill closure and postclosure care costs	6,571,099	-
Other postemployment benefits	50,675	-
Compensated absences payable	<u>9,427</u>	<u>-</u>
Total Noncurrent Liabilities	<u>6,631,201</u>	<u>-</u>
Total Liabilities	<u>7,043,612</u>	<u>-</u>
Net Assets		
Invested in capital assets	1,930,932	-
Unrestricted	<u>(1,654,823)</u>	<u>106,396</u>
Total Net Assets	<u>\$ 276,109</u>	<u>\$ 106,396</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, 2012**

	Major Fund	Non-major Fund
	Enterprise Fund	Internal Service Fund
	Solid Waste Management	County Health Plan Fund
OPERATING REVENUES		
Charges for services	\$ 1,540,903	\$ 150,360
Miscellaneous	-	2,500
Total operating revenues	1,540,903	152,860
OPERATING EXPENSES		
Landfill closure and postclosure	141,535	-
Solid waste operations	1,027,192	-
Landfill operations	627,212	-
Depreciation	26,722	-
Health insurance administration	-	46,464
Miscellaneous	-	-
Total operating expenses	1,822,661	46,464
OPERATING INCOME (LOSS)	(281,758)	106,396
NONOPERATING REVENUES (EXPENSES)		
Interest and fees	-	-
Interest earned on investments	4,524	-
Total nonoperating revenues (expenses)	4,524	-
INCOME BEFORE TRANSFERS	(277,234)	106,396
Capital contributions	4,692	-
Transfers from other funds	-	-
Transfers to other funds	-	-
Total Transfers	4,692	-
CHANGE IN NET ASSETS	(272,542)	106,396
TOTAL NET ASSETS-BEGINNING	548,651	-
TOTAL NET ASSETS-ENDING	\$ 276,109	\$ 106,396

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, 2012

	Major Fund Enterprise Fund Solid Waste Management	Non-major Fund Internal Service Fund County Health Plan Fund
Cash flows from operating activities:		
Cash received from customers	\$ 1,567,073	\$ 152,860
Cash paid for goods and services	(1,248,238)	(46,464)
Cash paid to employees for services	(167,026)	-
Net cash provided by operating activities	<u>151,809</u>	<u>106,396</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(668,314)	-
Capital contributions	<u>4,692</u>	<u>-</u>
Net cash provided by capital and related financing activities	<u>(663,622)</u>	<u>-</u>
Cash flows from investing activities:		
Interest on investments	<u>4,524</u>	<u>-</u>
Net cash provided by investing activities	<u>4,524</u>	<u>-</u>
Net increase in cash and cash equivalents	<u>(507,289)</u>	<u>106,396</u>
Cash and cash equivalents, July 1	<u>5,748,567</u>	<u>-</u>
Cash and cash equivalents, June 30	<u>\$ 5,241,278</u>	<u>\$ 106,396</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ (281,758)	\$ 106,396
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	26,722	-
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	21,478	-
Increase (decrease) in accounts payable and accrued liabilities	293,027	-
Increase (decrease) in other postemployment benefits	9,053	-
Increase (decrease) in compensated absences payable	(187)	-
Increase (decrease) in landfill closure and postclosure costs	<u>83,474</u>	<u>-</u>
Total adjustments	<u>433,567</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 151,809</u>	<u>\$ 106,396</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, 2012

	Agency Funds
<hr/> <hr/>	
ASSETS	
Cash and investments	\$ 145,040
Due from other fund	32,239
	<hr/>
Total Assets	\$ 177,279
	<hr/> <hr/>
LIABILITIES AND NET ASSETS	
Liabilities:	
Miscellaneous liabilities	\$ 145,040
Due to component unit	32,239
	<hr/>
Total Liabilities	\$ 177,279
	<hr/> <hr/>

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

**NOTES TO THE BASIC FINANCIAL
STATEMENTS**

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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, 2012**

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, 2012, 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, 2012**

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. Non-operating 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.

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 internal service fund:

County Health Plan Fund – This fund is used to account for the accumulation and allocation of costs associated with the County's self-insured group health insured program.

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; the Inmate Trust Fund, which accounts for moneys deposited with the County for the benefit of certain inmates; the Sheriff's Evidence, Execution and Special Fund, which accounts for moneys deposited with the Sheriff; and the Granville County Tourism Development Authority Fund.

Nonmajor Funds – The County maintains seven legally budgeted funds. The Emergency Telephone System Fund, CDBG Fund, and R. H. Thornton Library Memorial Fund are reported as nonmajor special revenue

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

funds. The Expo and Conference Center Fund, Granville Greenway Project Fund, Library Expansion/Renovation Fund, and the 2010 Southern Elementary School Project Fund are reported as capital projects funds.

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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. 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.

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Therefore, taxes for vehicles registered from March 2011 through February 2012 apply to the fiscal year ended June 30, 2012. 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, Emergency Telephone System 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 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 2011-2012 fiscal year as necessary. The budgetary amendments affected the following funds: General Fund, Emergency Telephone System Fund, R. H. Thornton Library Memorial Fund, CDBG 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 Hospital, the ABC Board, the Tourism Development Authority, and the Memorial Gardens may

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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, a 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 Fund 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, 2011. 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.

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.

**GRANVILLE COUNTY, NORTH CAROLINA
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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

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

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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, 2012 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 has any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

10. Net Assets/Fund Balances

Net Assets

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

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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 Public Safety-portion of fund balance that is restricted for Emergency Telephone System purposes

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

Restricted for Community Services-portion of fund balance that is restricted for use for recreational and library purposes.

Restricted for Human Services-portion of fund balance that is restricted by debt proceeds obtained to pay for Granville Medical Center capital outlay.

Restricted for Economic and Physical Development-portion of fund balance that is restricted for use for economic and physical development.

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.

Committed for Public Safety-portion of fund balance that can only be used for Public Safety purposes.

Committed for Economic and Physical Development-portion of fund balance that can only be used for Economic and Physical Development purposes.

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.

**GRANVILLE COUNTY, NORTH CAROLINA
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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.

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 \$ (54,761,045) 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)	\$ 42,592,212
Less Accumulated Depreciation	<u>(11,105,510)</u>
Net capital assets	<u>31,486,702</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.	569,595
Deferred charges related to bonds issued – included on government-wide statements as these funds are not available and therefore deferred in the fund statements	324,846
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	436,878
Internal service fund is used by management to charge insurance costs to individual funds; the assets and liabilities of the internal service fund is included in governmental activities in the statement of net assets	106,396
Liabilities for revenue deferred but earned and therefore recorded in the fund statements but not the government-wide	2,219,161

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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, financing agreements, COPS and installments	(84,051,045)
Compensated absences	(775,242)
Other postemployment benefits	(3,551,877)
Net pension obligation	(491,633)
Premium on bonds	(478,248)
Accrued interest payable	<u>(556,578)</u>

Total adjustment	<u>\$ (54,761,045)</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 \$ (10,786,689) 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	\$ 8,755,537
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	(879,263)
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	(23,000,000)
Cost of disposed capital asset not recorded in fund statements	(600)
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	5,049,051
Amortization on deferred premium payments on debt that is recorded in the statement of activities but not in the fund statements	47,166
Internal service funds are used by management to charge the costs of health insurance to individual funds. The net revenue of certain activities of internal service fund is reported with governmental activities	
Change in net assets of the internal service funds	106,396

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Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements	
Amortization on deferred charges-issuance costs that is recorded in the statement of activities but not in the fund statements	(19,523)
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)	(122,913)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(28,737)
Net pension obligation is accrued in the government-wide statements but not in the fund statements because they do not use current resources	(35,290)
Other postemployment benefits are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(534,096)
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 7-1-11	(2,306,525)
Recording of tax receipts deferred in the fund statements as of 6-30-12	2,219,161
Increase in accrued taxes receivable for year ended 6-30-12	<u>17,557</u>
Total adjustment	<u>\$ (10,786,689)</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

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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 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, 2012, the County's deposits had a carrying amount of \$24,439,076 and a bank balance of \$24,751,469. Of the bank balance, \$1,000,000 was covered by federal depository insurance, and \$23,751,469 in interest bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2012, Granville County had \$1,575 cash on hand.

At June 30, 2012, the carrying amount of deposits for Granville County ABC Board was \$893,901 and the bank balance was \$860,946. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$610,946 was covered by collateral held by authorized escrow agents in the name of the State Treasurer. The ABC Board had \$5,842 cash on hand.

At September 30, 2011, the Hospital's deposits had a carrying amount of \$24,028,660 and a bank balance of \$24,028,570. Of the bank balance, \$902,123 was covered by federal depository insurance and \$23,126,447 was covered by collateral held under the Pooling method. The Hospital also had cash on hand at September 30, 2011, in the amount of \$2,453.

At June 30, 2012, the Tourism Development Authority had a carrying amount of \$284,257 and a bank balance of \$284,257. Of the bank balance, \$250,000 was covered by the federal depository insurance and the balance was covered by collateral held under the pooling method.

At June 30, 2012, the Memorial Gardens had a carrying amount of \$242,617 and a bank balance of \$264,644. All of the bank balance was covered by federal depository insurance.

2. Investments

At June 30, 2012, the County's investments consisted of \$14,566,343 in the North Carolina Capital Management Trust's Cash Portfolio and \$2,310,260 in the North Carolina Capital Management Trust's Term Portfolio. The North Carolina Capital Management Trust's Cash Portfolio carried a credit rating of AAAm by Standard and Poor's. The North Carolina Capital Management Trust's Term Portfolio is not rated. 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.

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	<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2009		\$ 1,384,544	\$ 328,829	\$ 1,713,373
2010		2,447,029	360,941	2,807,970
2011		2,506,304	144,114	2,650,418
2012		<u>2,558,721</u>	<u>-</u>	<u>2,558,721</u>
Totals		<u>\$ 8,896,598</u>	<u>\$ 833,884</u>	<u>\$ 9,730,482</u>

4. Receivables

Receivables at the government-wide level at June 30, 2012, 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	\$ 1,536,612	\$ 2,788,756	\$ 1,158,183	\$ 5,483,551
Other Governmental Funds	<u>135,549</u>	<u>-</u>	<u>-</u>	<u>135,549</u>
Total-governmental activities	<u>\$ 1,672,161</u>	<u>\$ 2,788,756</u>	<u>\$ 1,158,183</u>	<u>\$ 5,619,100</u>
Business-type Activities:				
Solid Waste Management	<u>\$ 116,313</u>	<u>\$ -</u>	<u>\$ 31,198</u>	<u>\$ 147,511</u>

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

Local option sales tax	\$ 857,467
Sales tax refund receivable	300,716
White goods tax	4,798
Scrap tire disposal tax	18,947
Solid waste tax distribution	<u>7,453</u>
Total	<u>\$ 1,189,381</u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2012, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,046,618	\$ 5,355,173	\$ -	\$ 6,401,791
Construction in Progress	<u>7,160,979</u>	<u>3,009,351</u>	<u>(1,117,959)</u>	<u>9,052,371</u>
Total capital assets not being depreciated	<u>8,207,597</u>	<u>8,364,524</u>	<u>(1,117,959)</u>	<u>15,454,162</u>
Capital assets being depreciated:				
Buildings	16,287,971	569,542	-	16,857,513
Improvements other than building	5,560,433	548,417	-	6,108,850
Machinery and Equipment	<u>4,151,657</u>	<u>391,013</u>	<u>(370,983)</u>	<u>4,171,687</u>
Total capital assets being depreciated	<u>26,000,061</u>	<u>1,508,972</u>	<u>(370,983)</u>	<u>27,138,050</u>

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	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Less accumulated depreciation for:				
Buildings	6,620,538	409,561	-	7,030,099
Improvements other than building	771,882	191,571	-	963,453
Machinery and Equipment	<u>3,204,210</u>	<u>278,131</u>	<u>(370,383)</u>	<u>3,111,958</u>
Total accumulated depreciation	<u>10,596,630</u>	<u>\$ 879,263</u>	<u>\$ (370,383)</u>	<u>11,105,510</u>
Total capital assets being depreciated, net	<u>15,403,431</u>			<u>16,032,540</u>
Governmental activity capital assets, net	<u>\$ 23,611,028</u>			<u>\$ 31,486,702</u>

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

General government	\$ 247,863
Public safety	444,529
Human services	47,574
Community services	134,745
Economic development	<u>4,552</u>
Total depreciation expense	<u>\$ 879,263</u>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,020,695	\$ -	\$ -	\$ 1,020,695
Construction in progress	<u>-</u>	<u>535,353</u>	<u>-</u>	<u>535,353</u>
Total capital assets not being depreciated	<u>1,020,695</u>	<u>535,353</u>	<u>-</u>	<u>1,556,048</u>
Capital assets being depreciated:				
Buildings	9,617	29,400	-	39,017
Improvements other than buildings	351,276	-	-	351,276
Machinery and equipment	<u>248,497</u>	<u>103,561</u>	<u>5,643</u>	<u>346,415</u>
Total capital assets being depreciated	<u>609,390</u>	<u>132,961</u>	<u>5,643</u>	<u>736,708</u>
Less accumulated depreciation for:				
Buildings	8,763	240	-	9,003
Improvements other than buildings	90,363	9,889	-	100,252
Machinery and equipment	<u>241,619</u>	<u>16,593</u>	<u>5,643</u>	<u>252,569</u>
Total accumulated depreciation	<u>340,745</u>	<u>\$ 26,722</u>	<u>\$ 5,643</u>	<u>361,824</u>
Total capital assets being depreciated, net	<u>268,645</u>			<u>374,884</u>
Business-type activities capital assets, net	<u>\$ 1,289,340</u>			<u>\$ 1,930,932</u>

Activity for the ABC Board for the year ended June 30, 2012, 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	30,505	2,087
Buildings	188,672	83,259	105,413
Furniture/equipment	51,135	39,082	12,053
Vehicles	23,208	23,208	-
Computers & software	<u>65,021</u>	<u>37,589</u>	<u>27,432</u>
Total, capital assets being depreciated	<u>360,628</u>	<u>213,643</u>	<u>146,985</u>
ABC Board capital assets, net	<u>\$ 471,505</u>	<u>\$ 213,643</u>	<u>\$ 257,862</u>

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Activity for Granville Medical Center for the year ended September 30, 2011, was as follows:

	Beginning <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balances</u>
Capital assets not being depreciated:				
Land	\$ 1,790,207	\$ -	\$ -	\$ 1,790,207
Construction in Progress	<u>931,263</u>	<u>163,221</u>	<u>-</u>	<u>1,094,484</u>
Total capital assets not being depreciated	<u>2,721,470</u>	<u>163,221</u>	<u>-</u>	<u>2,884,691</u>
Capital assets being depreciated:				
Buildings	18,208,858	293,224	-	18,502,082
Capitalized interest	17,015	11,128	-	28,143
Land Improvements	1,011,869	-	-	1,011,869
Equipment and fixtures	<u>17,936,575</u>	<u>1,278,433</u>	<u>832,196</u>	<u>18,382,812</u>
Total capital assets being depreciated	<u>37,174,317</u>	<u>1,582,785</u>	<u>832,196</u>	<u>37,924,906</u>
Less accumulated depreciation for:				
Buildings	9,345,949	578,216	-	9,924,165
Land Improvements	839,957	46,823	-	886,780
Equipment and fixtures	<u>14,209,860</u>	<u>1,223,283</u>	<u>818,424</u>	<u>14,614,719</u>
Total accumulated depreciation	<u>24,395,766</u>	<u>\$1,848,322</u>	<u>\$ 818,424</u>	<u>25,425,664</u>
Total capital assets being depreciated, net	<u>12,778,551</u>			<u>12,499,242</u>
Business-type activities capital assets, net	<u>\$ 15,500,021</u>			<u>\$ 15,383,933</u>

b. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2012, were as follows:

	<u>Vendors</u>	Salaries and <u>Benefits</u>	Accrued <u>Interest</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 1,019,560	\$ -	\$ 556,578	\$ 1,576,138
Other Governmental Funds	<u>104,781</u>	<u>-</u>	<u>-</u>	<u>104,781</u>
Total-governmental activities	<u>\$ 1,124,341</u>	<u>\$ -</u>	<u>\$ 556,578</u>	<u>\$ 1,680,919</u>
Business-type Activities:				
Solid Waste Management	<u>\$ 409,269</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 409,269</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

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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. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.97% and 7.04%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 7.25% 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, 2010, 2011 and 2012 were \$560,212, \$505,585, and \$573,961, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2010, 2011 and 2012 were \$10,374, \$14,095, and \$14,133, 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, 2011, the Separation Allowance's membership consisted of:

Retirees receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>55</u>
Total	<u>55</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 71.

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3. Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. A copy of the actuarial valuation report is available from the Finance Department. For the current year, the County contributed \$39,296, or 1.7% of annual covered payroll. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

The annual required contribution for the current year was determined as part of the December 31, 2011 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, 2011, was 19 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>	
6/30/10	\$ 55,636	88.05%	\$ 429,317
6/30/11	72,474	62.71%	456,343
6/30/12	\$ 74,586	52.69%	491,633

Annual Pension Cost and Net Pension Obligation for Fiscal Year Ending 6/30/12

Employer annual required contribution	\$ 78,992
Interest on net pension obligation	22,817
Adjustment to annual required contribution	<u>(27,223)</u>
Annual pension cost	74,586
Employer contributions made for fiscal year ending 06/30/12	<u>39,296</u>
Increase (decrease) in net pension obligation	35,290
Net pension obligation beginning of fiscal year	<u>456,343</u>
Net pension obligation end of fiscal year	<u>\$ 491,633</u>

4. Funded Status and Funding Process:

As of December 31, 2011, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial accrued liability for benefits was \$661,523, and the actuarial value of assets was \$0.00, resulting in an unfunded actuarial accrued liability (UAAL) of \$661,523. The covered payroll (annual payroll of active employees covered by the plan) was \$2,347,433, and the ratio of the UAAL to the covered payroll was 28.18 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.

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c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy – Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2012, were \$145,595, which consisted of \$118,571 from the County and \$27,024 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 3 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2012, the County's required and actual contributions were \$3,415.

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

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least twenty years of creditable service with the County. The County pays the full cost of coverage for these benefits through private insurers. Also, the County's retirees can continue to purchase coverage for their dependents at the County's group rates until the retiree reaches the age of 65. The County Board of Commissioners may amend the benefit provisions. There is no separate, audited GAAP-basis plan report available for the postemployment benefit plan.

Membership of the HCB Plan consisted of the following at December 31, 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 7.39% of annual covered payroll. For the current year, the County contributed \$187,934 or 1.87% of annual covered payroll. The County obtains healthcare coverage through private insurers. The County's required contributions, under a County resolution, for employees not engaged in law enforcement and for law enforcement officers represented 0.00% and 0.00% of covered payroll, respectively. The County's obligation to contribute to HCB Plan is established and may be amended by the County Board of Commissioners.

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

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

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:

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Annual required contribution	\$ 725,613
Interest on net OPEB obligation	122,376
Adjustment to annual required contribution	116,907
Annual OPEB cost (expense)	731,082
Contributions made	(187,934)
Increase (decrease) in net OPEB obligation	543,148
Net OPEB obligation, beginning of year	3,059,404
Net OPEB obligation, end of year	<u>\$ 3,602,552</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the HCB plan, and the net OPEB obligation for 2012 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>
2012	\$ 731,082	25.7%	\$ 3,602,552
2011	730,089	23.9%	3,059,404
2010	1,408,720	7.0%	2,503,789

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

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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 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 months salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death 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, 2012, the County made contributions to the State for death benefits of \$10,733. 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 \$1,360,000, \$1,030,000, and \$861,000, 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. Granville County currently has closed two MSW landfills. The Butner site has 16 years remaining under the postclosure requirements and the Oxford site has 26 postclosure

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years remaining. The \$6,571,099 reported as landfill closure and postclosure care liability at June 30, 2012, represents the latest estimate for the remaining years of postclosure maintenance and monitoring required for the Oxford and Butner landfills. The County operates a C&D landfill at the Oxford site which has used approximately 85% of its capacity as of June 30, 2012 and is expected to be closed in 2014 or 2015. The County will open a MSW landfill in 2013 at the Oxford site which is expected to have a 70-100 year capacity.

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

4. Deferred/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)	\$ 125,097	\$ 125,097
Taxes receivable (net) (General)	<u>2,219,161</u>	<u>-</u>
Total	<u>\$ 2,344,258</u>	<u>\$ 125,097</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

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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 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, 2012, 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. Financing Agreements

In December 2011, Granville County entered into a utility sales agreement with the City of Henderson to provide water and sewer services to Triangle North Industrial Park.

Governmental Activities

The agreement for \$9,000,000 was executed in December 2011, for the utility sales agreement for water and sewer services for an industrial park and required 9 annual payments of \$951,138.37. A payment of \$951,139 was made at the execution of the agreement. The interest rate is 1.25%.

\$ 8,048,861

For Granville County, the future minimum payments as of June 30, 2012, including \$511,384 of interest are:

Year Ending June 30	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 850,528	\$ 100,611
2014	861,159	89,979
2015	871,924	79,215
2016	882,823	68,316
2017	893,857	57,280
2018-2021	<u>3,688,570</u>	<u>115,983</u>
	<u>\$ 8,048,861</u>	<u>\$ 511,384</u>

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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, 2011 are as follows:

2012	\$ 981,000
2013	981,000
2014	780,000
2015	518,000
2016	<u>131,000</u>
Total	<u>\$ 3,391,000</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, 2012, 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.

\$ 1,072,602

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

613,250

School Construction (Granville County Schools holds title to these assets upon project completion)

1,921,332

In August 2011, the County entered into an installment agreement for \$14,000,000 for a term of 36 months with interest payments of \$140,700 due semi-annually on August 10 and February 10. Interest will be paid at a rate of 2.01%. All of the principal is due on August 10, 2014. This loan is a short term loan used to complete the Granville Medical Center Emergency Room Expansion and long term financing for the \$14,000,000 will be provided by the USDA upon substantial completion of the project.

14,000,000

Total

\$ 17,607,184

For Granville County, the future minimum payments as of June 30, 2012, including \$1,387,693 of interest are:

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NOTES TO THE FINANCIAL STATEMENTS
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Year Ending June 30	Governmental Activities	
	Principal	Interest
2013	\$ 386,436	\$ 413,869
2014	390,154	399,196
2015	14,394,022	243,674
2016	398,046	87,994
2017	402,233	72,852
2018-2022	1,544,800	168,406
2023	91,492	1,702
	<u>\$ 17,607,184</u>	<u>\$ 1,387,693</u>

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). \$ 10,295,000

\$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 \$ 15,510,000

For Granville County, the future minimum payments as of June 30, 2012, including \$11,108,506 of interest are:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2013	\$ 490,000	\$ 725,798
2014	490,000	716,487
2015	490,000	705,463
2016	490,000	692,110
2017	490,000	676,552
2018-2022	2,470,000	3,094,231
2023-2027	7,690,000	4,123,015
2028-2031	3,390,000	374,850
	<u>\$ 15,510,000</u>	<u>\$ 11,108,506</u>

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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, 2012, are comprised of the following individual issues:

General Obligation Bonds

\$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*	\$ 7,125,000
\$25,500,000 2005 School Series bonds due on June 1 and December 1 in installments of \$800,000-\$2,150,000 through June 1, 2025; interest at 3.0-5.0 percent*	19,500,000
\$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	540,000
\$1,600,000 Public Improvement 2009A bonds due on June 1 and December 1; interest at 3.0-4.5 percent	1,360,000
\$8,000,000 Library Bonds 2009B bonds due on June 1 and December 1; interest at 3.0-4.125 percent	6,800,000
\$10,215,000 Refunding Bonds 2009C due on June 1 and December 1; interest at 3.0-4.0 percent*	<u>7,560,000</u>
Total	<u>\$ 42,885,000</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	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 3,210,000	\$ 1,630,868
2014	3,195,000	1,508,819
2015	3,180,000	1,397,719
2016	3,165,000	1,276,369
2017	3,145,000	1,165,969
2018-2022	15,665,000	4,122,856
2023-2027	10,365,000	1,152,325
2028-2029	<u>960,000</u>	<u>60,100</u>
	<u>\$ 42,885,000</u>	<u>\$ 12,315,025</u>

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

At June 30, 2012, Granville County had a legal debt margin of \$235,092,785.

The Hospital's notes payable at September 30, 2011, are comprised of the following:

3.77 percent note, payable monthly, principal and interest of \$38,095 through September 2011; guaranteed by Granville County	\$ -
4.09 percent note, monthly principal payments of \$13,889, plus interest through January 2018; collateralized by real estate.	1,055,555
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	41,157
3.97 percent note, payable monthly, principal and interest of \$11,073 through March 2022; guaranteed by Granville County	1,139,262
0% capital lease, principal payable monthly of \$5,659, through September 2016, collateralized by equipment	339,558
2.01% construction note with interest due semi-annually; principal due in 2014 upon assumption of note by United States Department of Agriculture, guaranteed by Granville County	14,000,000
Total	<u>\$ 16,575,532</u>

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 332,086	\$ 368,830
2013	336,283	357,817
2014	14,340,667	346,617
2015	345,247	52,639
2016	343,602	41,146
2017-2021	811,974	80,929
2022-2023	<u>65,673</u>	<u>762</u>
Total	<u>\$ 16,575,532</u>	<u>\$ 1,248,740</u>

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, 2012:

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012	Current Portion of Balance
Governmental activities:					
General obligation bonds	\$ 46,110,000	\$ -	\$ 3,225,000	\$ 42,885,000	\$ 3,210,000
Plus: Premiums on issuance	<u>525,414</u>	<u>-</u>	<u>47,166</u>	<u>478,248</u>	<u>-</u>
Total General obligation bonds	46,635,414	-	3,272,166	43,363,248	3,210,000
Financing Agreements	-	9,000,000	951,139	8,048,861	850,528
Installment Purchases	3,990,096	14,000,000	382,912	17,607,184	386,436
Certificates of participation	16,000,000	-	490,000	15,510,000	490,000
Compensated absences	746,505	775,242	746,505	775,242	193,811
Net OPEB obligation	3,017,781	534,096	-	3,551,877	-
Net pension obligation	<u>456,343</u>	<u>35,290</u>	<u>-</u>	<u>491,633</u>	<u>-</u>
Total governmental activities	<u>\$ 70,846,139</u>	<u>\$ 24,344,628</u>	<u>\$ 5,842,722</u>	<u>\$ 89,348,045</u>	<u>\$ 5,130,775</u>
Business-type activities:					
Accrued landfill closure and postclosure costs	\$ 6,487,625	\$ 135,154	\$ 51,680	\$ 6,571,099	\$ -
Compensated absences	12,757	12,569	12,757	12,569	3,142
Net OPEB obligation	<u>41,623</u>	<u>9,052</u>	<u>-</u>	<u>50,675</u>	<u>-</u>
Total business-type activities	<u>\$ 6,542,005</u>	<u>\$ 156,775</u>	<u>\$ 64,437</u>	<u>\$ 6,634,343</u>	<u>\$ 3,142</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>
Transfers From/To Other Funds:			
<u>General Fund</u>			
General Fund	CDBG Fund	\$ 3,005,338	Contribution to fund ongoing capital projects
General Fund	Expo and Conference Center Fund	<u>197,000</u>	Contribution to fund ongoing capital projects
		<u>\$ 3,202,338</u>	
<u>Special Revenue/Capital Projects Funds</u>			
Emergency Telephone System Fund	General Fund	5,231	To adjust fund balance to PSAP year-end report
2010 Southern Elementary School Fund	General Fund	<u>1,000,000</u>	To repay funding from the General Fund
		<u>\$ 1,005,231</u>	
Due To/From Other Funds			
Granville County Tourism			
Development Authority	General Fund	<u>32,239</u>	Occupancy tax proceeds
		<u>\$ 32,239</u>	

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

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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	\$ 31,112,214
Less:	
Prepaid items	368
Stabilization by State Statute	2,694,795
Appropriated fund balance in 2013 budget	1,418,657
Human Services	13,591,044
Education	347,682
Register of Deeds	33,561
Tax Revaluation	196,283
Public Safety	591,606
Economic and Physical Development	1,232,800
Remaining Fund Balance	\$ 11,005,418

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 \$594,885 and \$16,640 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2012. 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, 2012. 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 District. Complete financial statements for the Health District can be obtained at 115 Charles D. Rollins Road, Henderson, N.C. 27536.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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, 2012. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$34,299 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, 2012. 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 \$16,709 to the Council during the fiscal year ended June 30, 2012. 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, 2012**

	<u>Federal</u>	<u>State</u>
Temporary Assistance to Needy Families	\$ 630,527	\$ -
Medical Assistance	36,189,010	20,900,248
CWS Adoption Subsidy	-	196,726
Adoption Assistance	137,971	38,354
State/County Special Assistance	-	420,586
Foster Care	137,041	37,614
State Foster Care at Risk Max	-	6,260
State Foster Care At Risk	-	2,398
State Foster Home	-	35,874
SFHF Maximization	-	<u>72,246</u>
Totals	<u>\$ 37,094,549</u>	<u>\$ 21,710,306</u>

VII. Subsequent Events

In July 2012, the County entered into a \$1,810,000 installment financing agreement for the purchase and up fit of an existing Medical Office Building located near the Granville Medical Center to be used by the Medical Center for physician office space. In August 2012, the County entered into a \$8,950,000 installment financing agreement for the reimbursement of the Triangle North-Granville purchase (\$5,350,000), renovations to the County's Orange street facility (\$2,100,000), renovations to the County's Lanier street facility (\$1,100,000), and renovations to the County's Courthouse (\$400,000). No other events 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

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

- 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)
12/31/2006	\$ -	\$ 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%
12/31/2011	\$ -	\$ 661,523	\$ 661,523	0.00%	\$ 2,347,433	28.18%

**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
2007	\$ 37,498	28.71%
2008	39,811	27.04%
2009	46,026	32.94%
2010	51,918	94.86%
2011	73,992	61.42%
2012	\$ 78,992	49.75%

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
2009	\$ 1,351,483	11.65%
2010	1,402,164	7.06%
2011	725,613	24.05%
2012	\$ 725,613	25.90%

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

- **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.

GRANVILLE COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

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

	2012		2011	
	Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad Valorem Taxes:				
Current year	\$ 30,169,470	\$ 30,614,213	\$ 444,743	\$ 30,381,913
Prior year	990,000	948,779	(41,221)	929,666
Penalties and interest	277,500	310,222	32,722	284,770
Total	31,436,970	31,873,214	436,244	31,596,349
Sales and Other Taxes:				
Article 39 one percent		1,277,292		1,141,947
Article 40 one-half of one percent		2,602,085		2,329,295
Article 42 one-half of one percent		1,231,608		1,097,983
Article 44 one-half of one percent		(6,377)		(47,127)
Article 44 Hold Harmless		407,778		407,229
State excise tax - Register of Deeds		120,045		131,456
Beer and wine		170,670		165,308
Taxes on federal exempt land		21,660		21,221
Medicaid hold harmless		1,268,150		941,090
Occupancy taxes		178,497		185,671
Total	6,174,745	7,271,408	1,096,663	6,374,073
Licenses, Fees and Other Revenues:				
Privilege licenses		5,679		6,827
Taxes on Oxford Housing Authority		13,294		13,294
Planning		49,759		46,320
Inspection		360,204		343,150
Sheriff wage refund		33,716		-
Boarding state and federal prisoners		6,581		37,140
Ambulance fees		59,050		270,913
Library fees		45,139		43,666
Rents		18,067		12,361
Sheriff's fees		113,097		72,326
Election fees		36,527		316
Franchise fees		104,812		111,212
Animal control		24,331		21,877
Collection fees		114,862		104,725
Senior Center fitness fees		7,915		7,391
Administrative fees		25,000		25,000
Register of Deeds		201,492		196,073
GAP fees		29,775		27,986
GIS subscription fees		50		21,450
4-H Best program		-		685
Inmate Welfare fund		-		41
Aging fees		22,637		20,930
Federal interest subsidy		475,149		247,702
Federal and State grants		3,804		5,063
Miscellaneous		307,630		182,587
Sale of fixed assets		16,236		5,691
Total	1,944,588	2,074,806	130,218	1,824,726

GRANVILLE COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

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

	2012		2011	
	Budget	Actual	Variance Positive (Negative)	Actual
Restricted and Intergovernmental Revenues:				
Debt Contribution from hospital		604,035		805,168
Court facility fees		69,073		84,331
CSC officer's fees		18,122		22,416
Register of Deeds		27,117		9,995
ABC bottle tax		11,887		11,606
Federal and State grants		7,922,555		8,588,601
Excise recreation - Heritage		110,767		121,344
Jail fees		18,281		18,532
Floodplain mapping fees		3,560		17,800
Sheriff Federal treasury seized funds		56,456		-
Miscellaneous		59,609		45,326
Total	10,317,256	8,901,462	(1,415,794)	9,725,119
Investment earnings	300,000	57,418	(242,582)	83,560
Miscellaneous Revenues				
Granville County ABC Board	140,000	245,490	105,490	272,271
Granville County Tourism Development Authority	-	-	-	90,000
Total	140,000	245,490	105,490	362,271
Total Revenues	50,313,559	50,423,798	110,239	49,966,098
EXPENDITURES				
General Government				
Board of Commissioners				
Salaries and employee benefits		136,295		145,649
Other operating expenditures		55,427		60,411
Capital outlay		806		1,719
Total	222,849	192,528	30,321	207,779
Administration				
Salaries and employee benefits		307,796		289,828
Other operating expenditures		25,471		12,633
Capital outlay		2,503		3,894
Total	348,061	335,770	12,291	306,355
Board of Elections				
Salaries and employee benefits		221,012		177,722
Other operating expenditures		148,086		97,572
Capital outlay		5,770		-
Total	429,432	374,868	54,564	275,294

GRANVILLE COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

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

	2012		2011
	Budget	Actual	Variance Positive (Negative) Actual
Finance Department			
Salaries and employee benefits		314,674	262,929
Other operating expenditures		110,277	98,236
Capital outlay		943	-
Total	445,864	425,894	19,970
Tax Administration			
Salaries and employee benefits		463,974	447,108
Other operating expenditures		133,333	145,518
Capital outlay		1,296	9,889
Total	640,490	598,603	41,887
Register of Deeds			
Salaries and employee benefits		206,644	204,134
Other operating expenditures		74,942	43,917
Total	301,712	281,586	20,126
General Services/Court Facilities			
Salaries and employee benefits		183,552	170,760
Other operating expenditures		323,770	304,594
Capital outlay		3,105	6,807
Total	556,307	510,427	45,880
Human Resources			
Salaries and employee benefits		77,368	71,836
Other operating expenditures		51,720	53,649
Capital outlay		100	124
Total	140,951	129,188	11,763
Internal Auditor			
Salaries and employee benefits		60,095	57,580
Other operating expenditures		3,767	3,594
Total	64,800	63,862	938
Total General Government	3,150,466	2,912,726	237,740
Public Safety			
Other Emergency Services	31,200	20,087	11,113
Sheriff's Department/Detention Center			
Salaries and employee benefits		4,935,946	4,536,084
Other operating expenditures		1,528,562	1,275,410
Capital outlay		20,276	44,232
Total	6,750,847	6,484,784	266,063
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, 2012

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

	2012		2011
	Budget	Actual	Variance Positive (Negative) Actual
Forestry			
Salaries and employee benefits		25,594	25,511
Other operating expenditures		59,444	61,132
Total	94,438	85,038	9,400
Emergency Management			
Salaries and employee benefits		184,776	163,412
Other operating expenditures		27,784	17,941
Total	248,128	212,560	35,568
Emergency Services			
Salaries and employee benefits		932,111	923,703
Other operating expenditures		243,945	247,730
Capital outlay		27,264	20,661
Total	1,261,126	1,203,320	57,806
Total Public Safety	9,175,354	8,795,404	379,950
<u>Community Services</u>			
Cooperative Extension Service			
Salaries and employee benefits		250,417	232,848
Other operating expenditures		67,399	48,496
Capital outlay		21,300	-
Total	404,870	339,116	65,754
County Library System			
Salaries and employee benefits		594,236	507,880
Other operating expenditures		267,349	267,116
Total	941,341	861,585	79,756
Recreation & Community Service			
Other operating expenditures		136,726	206,690
Total	136,726	136,726	-
Development Services			
Planning			
Salaries and employee benefits		258,197	248,394
Other operating expenditures		37,342	17,255
Inspection Department			
Salaries and employee benefits		370,333	382,970
Other operating expenditures		26,545	26,084
Capital outlay		-	962
Construction Administration			
Other operating expenditures		111	489
Capital outlay		446,262	1,002,990
Total	1,673,374	1,138,790	534,584

GRANVILLE COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

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

	2012		2011	
	Budget	Actual	Variance Positive (Negative)	Actual
Soil Conservation Program				
Salaries and employee benefits		90,837		91,106
Other operating expenditures		2,665		2,665
Total	98,075	93,502	4,573	93,771
Jonesland Park Operations				
Salaries and employee benefits		193,599		158,310
Other operating expenditures		108,127		99,883
Capital outlay		42,422		33,324
Total	377,919	344,148	33,771	291,517
Economic Development				
Salaries and employee benefits		141,816		136,888
Other operating expenditures		48,107		50,572
Capital outlay		300		21,019
Total	202,852	190,223	12,629	208,479
Total Community Services	3,835,157	3,104,090	731,067	3,535,941
<u>Human Services</u>				
Health and Medical Services				
Granville Medical Center		1,393,000		1,717,501
Granville-Vance District Health Dept.		325,631		325,653
Area Mental Health		136,733		135,440
Total	1,948,401	1,855,364	93,037	2,178,594
Social Services				
Salaries and employee benefits		3,698,439		3,460,857
Other operating expenditures		3,952,228		3,857,077
Capital outlay		24,322		103,006
Total	8,575,379	7,674,989	900,390	7,420,940
Veterans Services				
Salaries and employee benefits		12,350		12,051
Other operating expenditures		1,739		1,386
Total	15,220	14,089	1,131	13,437
Senior Services-Nutrition/In-Home Aid				
Salaries and employee benefits		562,768		539,158
Other operating expenditures		560,598		526,683
Capital outlay		15,351		4,686
Total	1,361,482	1,138,717	222,765	1,070,527
Total Human Services	11,900,482	10,683,159	1,217,323	10,683,498

GRANVILLE COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

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

	2012		2011	
	Budget	Actual	Variance Positive (Negative)	Actual
<u>Education</u>				
Granville County School System				
Current Expense	12,385,287	12,385,287	-	12,385,287
Capital	842,293	842,293	-	1,995,193
Total	13,227,580	13,227,580	-	14,380,480
Vance-Granville Community College				
Operating expenditures		594,885		556,149
Capital Outlay		16,640		16,640
Total	611,525	611,525	-	572,789
Total Education	13,839,105	13,839,105	-	14,953,269
<u>Non-Departmental & Special Areas</u>				
Special Projects	195,490	187,688	7,802	194,326
Pass Thru Funds	622,218	375,185	247,033	376,043
Non-Departmental	22,737,437	7,030,851	15,706,586	1,700,255
Granville County Tourism Development Authority	200,000	168,122	31,878	185,671
Total Non-Departmental & Special Areas	23,755,145	7,761,846	15,993,299	2,456,295
<u>Debt Service</u>				
South Granville Industrial Park				
Principal		-		100,569
Interest		-		2,868
Total	-	-	-	103,437
Hospital Financing				
Principal		376,522		695,028
Interest		227,513		110,140
Total	604,049	604,035	14	805,168
Park Financing				
Principal		74,647		113,737
Interest		30,562		35,624
Total	105,209	105,209	-	149,361
Water & Sewer Allocation-Triangle North				
Principal		951,139		-
Interest		-		-
Total	951,139	951,139	-	-

GRANVILLE COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

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

	2012		2011	
	Budget	Actual	Variance Positive (Negative)	Actual
Schools Debt Service				
Principal		3,423,337		2,904,247
Interest		2,275,391		2,044,328
	6,046,395	5,698,728	347,667	4,948,575
Library Series 2009				
Principal		400,000		400,000
Interest		258,000		270,000
Total	658,000	658,000	-	670,000
Total Debt Service	8,364,792	8,017,111	347,681	6,676,541
Total Expenditures	74,020,501	55,113,441	18,907,060	49,106,971
Revenues Over (Under) Expenditures	(23,706,942)	(4,689,643)	19,017,299	859,127
OTHER FINANCING SOURCES (USES)				
Transfers-in:				
Landfill Capital Reserve Fund	-	-	-	366,133
School Restricted Capital Fund	-	-	-	1,041,917
Revaluation Fund	-	-	-	110
Emergency Telephone System Fund	-	5,231	5,231	-
Library Expansion/Renovation Fund	-	-	-	-
2010 Southern Elementary School Fund	1,000,000	1,000,000	-	-
Capital Improvements Fund	-	-	-	536,578
Total transfers-in	1,000,000	1,005,231	5,231	1,944,738
Transfers-out:				
Expo and Conference Center Fund		(197,000)		(215,000)
Landfill Capital Reserve Fund		-		(1,716,130)
CDBG Fund		(3,005,338)		-
Greenway Project Fund		-		(105,275)
Total transfers-out	(3,202,338)	(3,202,338)	-	(2,036,405)
Contingency	(10,000)	-	10,000	-
Debt proceeds	14,000,000	14,000,000	-	-
Fund balance appropriated	11,919,280	-	(11,919,280)	-
Total Other Financial Sources (Uses)	23,706,942	11,802,893	(11,904,049)	(91,667)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	7,113,250	\$ 7,113,250	767,460
Fund Balance-July 1, as restated		23,998,964		23,231,504
Fund Balance-June 30		\$ 31,112,214		\$ 23,998,964

NONMAJOR GOVERNMENTAL FUNDS

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.

- **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.
- **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
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2012**

EXHIBIT C-1

	Special Revenue Funds			Capital Projects Funds				
	Emergency Telephone System Fund	CDBG Fund	R. H. Thornton Library Memorial Fund	Expo and Conference Center Fund	Granville Greenway Project Fund	Library Expansion/ Renovation Fund	2010 Southern Elementary School Project Fund	June 30, 2012
<u>ASSETS</u>								
Current Assets:								
Cash and cash equivalents	\$ 194,594	\$ 2,702,021	\$ 311,405	\$ 33,564	\$ 63,319	\$ -	\$ -	\$ 3,304,903
Restricted cash	-	-	-	-	-	1,674,426	1,251,264	2,925,690
Accounts receivable	27,784	107,765	-	-	-	-	-	135,549
Total Assets	<u>\$ 222,378</u>	<u>\$ 2,809,786</u>	<u>\$ 311,405</u>	<u>\$ 33,564</u>	<u>\$ 63,319</u>	<u>\$ 1,674,426</u>	<u>\$ 1,251,264</u>	<u>\$ 6,366,142</u>
<u>LIABILITIES AND FUND EQUITY</u>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 109	\$ 57,763	\$ 600	\$ -	\$ -	\$ 46,309	\$ -	\$ 104,781
Total liabilities	<u>109</u>	<u>57,763</u>	<u>600</u>	<u>-</u>	<u>-</u>	<u>46,309</u>	<u>-</u>	<u>104,781</u>
Fund Balances:								
Restricted:								
Stabilization by State Statute	27,784	107,765	-	-	-	-	-	135,549
Recreation	-	-	-	-	63,319	-	-	63,319
Library	-	-	310,805	-	-	1,628,117	-	1,938,922
Public Safety	194,485	-	-	-	-	-	-	194,485
Education	-	-	-	-	-	-	1,251,264	1,251,264
Economic Development	-	2,644,258	-	-	-	-	-	2,644,258
Committed:								
Economic Development	-	-	-	33,564	-	-	-	33,564
Total fund equity	<u>222,269</u>	<u>2,752,023</u>	<u>310,805</u>	<u>33,564</u>	<u>63,319</u>	<u>1,628,117</u>	<u>1,251,264</u>	<u>6,261,361</u>
Total Liabilities and Fund Equity	<u>\$ 222,378</u>	<u>\$ 2,809,786</u>	<u>\$ 311,405</u>	<u>\$ 33,564</u>	<u>\$ 63,319</u>	<u>\$ 1,674,426</u>	<u>\$ 1,251,264</u>	<u>\$ 6,366,142</u>

**GRANVILLE COUNTY, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012**

	Special Revenue Funds			Capital Projects Funds				
	Emergency Telephone System Fund	CDBG Fund	R. H. Thornton Library Memorial Fund	Expo and Conference Center Fund	Granville Greenway Project Fund	Library Expansion/Renovation Fund	2010 Southern Elementary School Project Fund	June 30, 2012
REVENUES								
Restricted intergovernmental revenues	\$ 333,406	\$ 107,765	\$ -	\$ -	\$ 40,110	\$ -	\$ -	\$ 481,281
Investment earnings	520	-	378	-	-	1,548	1,734	4,180
Miscellaneous	-	45,206	2,957	-	-	-	-	48,163
Total Revenues	333,926	152,971	3,335	-	40,110	1,548	1,734	533,624
EXPENDITURES								
General government	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Public safety	1,292,224	-	-	-	-	-	-	1,292,224
Economic development	-	406,286	-	-	-	-	-	406,286
Community services	-	-	12,795	-	-	-	-	12,795
Education	-	-	-	-	-	-	3,744,076	3,744,076
Capital outlay	-	-	-	373,450	44,543	1,673,304	-	2,091,297
Debt service	-	-	-	-	-	-	-	-
Principal	91,537	-	-	-	-	-	-	91,537
Interest	21,282	-	-	-	-	-	-	21,282
Bond issuance costs	-	-	-	-	-	-	-	-
Total Expenditures	1,405,043	406,286	12,795	373,450	44,543	1,673,304	3,744,076	7,659,497
Revenues Over (under) Expenditures	(1,071,117)	(253,315)	(9,460)	(373,450)	(4,433)	(1,671,756)	(3,742,342)	(7,125,873)
OTHER FINANCING SOURCES (USES)								
Issuance of debt	-	-	-	-	-	-	-	-
Premium on debt	-	-	-	-	-	-	-	-
Transfers-in	-	-	-	-	-	-	-	-
Series 2005 Public Improvement Bond I	-	-	-	-	-	-	-	-
35 Million Dollar School Bond Fund	-	-	-	-	-	-	-	-
Project Ordinance Activities Fund	-	-	-	-	-	-	-	-
School Capital Reserve Fund	-	-	-	-	-	-	-	-
Solid Waste Management	-	-	-	-	-	-	-	-
General Fund	-	3,005,338	-	197,000	-	-	-	3,202,338
Total	-	3,005,338	-	197,000	-	-	-	3,202,338
Transfers out	-	-	-	-	-	-	-	-
Capital Improvements Funds	-	-	-	-	-	-	-	-
Solid Waste Management	-	-	-	-	-	-	-	-
General Fund	(5,231)	-	-	-	-	-	(1,000,000)	(1,005,231)
Total	(5,231)	-	-	-	-	-	(1,000,000)	(1,005,231)
Total Other Financing Sources (Uses)	(5,231)	3,005,338	-	197,000	-	-	(1,000,000)	2,197,107
Net Change in Fund Balances	(1,076,348)	2,752,023	(9,460)	(176,450)	(4,433)	(1,671,756)	(4,742,342)	(4,928,766)
Fund Balance - July 1	1,298,617	-	320,265	210,014	67,752	3,299,873	5,993,606	11,190,127
Fund Balance - June 30	\$ 222,269	\$ 2,752,023	\$ 310,805	\$ 33,564	\$ 63,319	\$ 1,628,117	\$ 1,251,264	\$ 6,261,361

**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, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	2012			2011
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Restricted intergovernmental revenues:	\$ 333,406	\$ 333,406	\$ -	\$ 477,349
Investment earnings	3,000	520	(2,480)	1,517
Total Revenues	336,406	333,926	(2,480)	478,866
<u>EXPENDITURES</u>				
Public safety:				
Salaries		-		45,875
Telephone		134,137		137,060
Other operating expenditures		289,455		100,418
Capital outlay		868,632		-
Debt service:				
Principal		91,537		111,500
Interest		21,282		30,072
Total Expenditures	1,501,585	1,405,043	96,542	424,925
Revenues Over (Under) Expenditures	(1,165,179)	(1,071,117)	94,062	53,941
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer (to) from other funds				
General Fund	(5,231)	(5,231)	-	-
Fund balance appropriated	1,170,410	-	(1,170,410)	-
Total	1,165,179	(5,231)	(1,170,410)	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	(1,076,348)	\$ (1,076,348)	53,941
Fund Balance - July 1		1,298,617		1,244,676
Fund Balance - June 30		\$ 222,269		\$ 1,298,617
<u>Explanation for transfers</u>				
Transfer to the General Fund to adjust beginning balance to actual		\$ 5,231		
<u>Emergency Telephone System Unspent Balance</u>				
Amounts reported above are different from the PSAP Revenue-Expenditure Report because:				
Net Change in Fund Balance, reported on Budget to Actual		\$ (1,076,348)		
Plus: Transfers to General Fund to adjust fund balance to the proper beginning balance		5,231		
Net Change per PSAP Revenue-Expenditure Report		(1,071,117)		
Beginning Balance, PSAP Revenue-Expenditure Report		1,293,386		
Ending Balance, PSAP Revenue-Expenditure Report		\$ 222,269		

GRANVILLE COUNTY, NORTH CAROLINA
CDBG FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Restricted intergovernmental revenues					
Federal and State grants					
CDBG grant					
C-1 Scattered Site Housing Funds	\$ 375,568	\$ 174,417	\$ 93,516	\$ 267,933	\$ (107,635)
L-1 Scattered Site Supplemental Funds	24,432	7,960	14,249	22,209	(2,223)
NC Grant 10-C-2143	584,560	-	-	-	(584,560)
Total restricted intergovernmental revenues	984,560	182,377	107,765	290,142	(694,418)
Miscellaneous revenues					
Other revenues	45,206	-	45,206	45,206	-
Total	1,029,766	182,377	152,971	335,348	(694,418)
<u>EXPENDITURES</u>					
Economic development					
CDBG grant expenditures					
C-1 Scattered Site Housing	375,568	174,417	93,516	267,933	107,635
L-1 Scattered Site Supplemental	24,432	7,960	14,249	22,209	2,223
NC Grant 10-C-2143					
Administration	53,142	-	8,765	8,765	44,377
Building Lease and Fit-up	411,996	-	289,613	289,613	122,383
Public Facilities Improvements	3,169,966	-	143	143	3,169,823
Total	4,035,104	182,377	406,286	588,663	3,446,441
Revenues Over (Under) Expenditures	(3,005,338)	-	(253,315)	(253,315)	2,752,023
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers from other funds					
General Fund	3,005,338	-	3,005,338	3,005,338	-
Total Other Financing Sources (Uses)	3,005,338	-	3,005,338	3,005,338	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ -	2,752,023	\$ 2,752,023	\$ 2,752,023
Fund Balance - July 1			-		
Fund Balance - June 30			\$ 2,752,023		

**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, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	2012			2011
	Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Donations	\$ 19,700	\$ 2,957	\$ (16,743)	\$ 4,818
Investment Earnings	300	378	78	392
Total Revenues	20,000	3,335	(16,665)	5,210
EXPENDITURES				
Projects	20,000	12,795	7,205	4,915
Total Expenditures	20,000	12,795	7,205	4,915
Revenues over (under) expenditures	-	(9,460)	(9,460)	295
OTHER FINANCING SOURCES (USES)				
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	<u>\$ -</u>	<u>(9,460)</u>	<u>\$ (9,460)</u>	295
FUND BALANCE				
Beginning of year - July 1		320,265		319,970
End of year - June 30		<u>\$ 310,805</u>		<u>\$ 320,265</u>

**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, 2012**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Favorable (Unfavorable)
<u>REVENUES</u>					
Restricted intergovernmental					
Federal and state grants	\$ 387,000	\$ -	\$ -	\$ -	\$ (387,000)
Investment earnings	200	-	-	-	(200)
Total Revenues	387,200	-	-	-	(387,200)
<u>EXPENDITURES</u>					
Capital Outlay					
Construction/Renovation	365,200	4,986	359,890	364,876	324
Waterline Project	434,000	-	13,560	13,560	420,440
Total	799,200	4,986	373,450	378,436	420,764
Total Expenditures	799,200	4,986	373,450	378,436	420,764
Revenues Over (Under) Expenditures	(412,000)	(4,986)	(373,450)	(378,436)	33,564
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfer from General Fund	412,000	215,000	197,000	412,000	-
Total Other Financing Sources (Uses)	412,000	215,000	197,000	412,000	-
Excess of Revenues and Other Sources Over (Under) Expenditures And Other Uses	\$ -	\$ 210,014	(176,450)	\$ 33,564	\$ 33,564
Fund Balance - July 1			210,014		
Fund Balance - June 30			\$ 33,564		

**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, 2012**

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Restricted intergovernmental revenues					
Federal and state grants	\$ 460,096	\$ -	\$ 40,110	\$ 40,110	\$ (419,986)
Miscellaneous					
Donations	9,150	9,150	-	9,150	-
Total Revenues	469,246	9,150	40,110	49,260	(419,986)
<u>EXPENDITURES</u>					
Professional Services		46,267	44,543	90,810	
Supplies and Materials		406	-	406	
Easements and ROWs		-	-	-	
Greenway Construction		-	-	-	
Construction Contingency		-	-	-	
Total Expenditures	574,521	46,673	44,543	91,216	483,305
Revenues Over (Under) Expenditures	(105,275)	(37,523)	(4,433)	(41,956)	63,319
<u>OTHER FINANCING SOURCES (USES)</u>					
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	\$ -	\$ 67,752	(4,433)	\$ 63,319	\$ 63,319
Fund Balances:					
Beginning of year - July 1			67,752		
End of year - June 30			\$ 63,319		

**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, 2012**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Favorable (Unfavorable)
REVENUES					
Investment earnings	\$ 29,000	\$ 20,652	\$ 1,548	\$ 22,200	\$ (6,800)
Total	29,000	20,652	1,548	22,200	(6,800)
EXPENDITURES					
General Library Projects					
Issuance Costs		41,970	-	41,970	
Architectural Services		112,062	9,347	121,409	
Construction		1,093,332	305,140	1,398,472	
General Contingency		-	-	-	
Total	2,886,915	1,247,364	314,487	1,561,851	1,325,064
Thornton Expansion					
Architectural Services		181,940	-	181,940	
Contract Services		76,190	3,200	79,390	
Building Rent		105,491	-	105,491	
Furniture & Fixtures		354,730	12,185	366,915	
Construction Renovation		1,962,198	63,502	2,025,700	
Contingency		-	-	-	
Total	2,785,824	2,680,549	78,887	2,759,436	26,388
South Branch Addition					
Architectural Services		143,049	10,292	153,341	
Furniture & Fixtures		4,296	224,526	228,822	
Land		-	-	-	
Construction & Renovation		1,880,372	355,994	2,236,366	
Road and Pavement Improvements		-	108,817	108,817	
Contingency		-	-	-	
Total	2,925,718	2,027,717	699,629	2,727,346	198,372
Stovall Addition					
Architectural Services		54,166	9,017	63,183	
Furniture & Fixtures		329	81,527	81,856	
Land		50,666	-	50,666	
Construction & Renovation		371,828	360,580	732,408	
Contingency		-	-	-	
Total	951,172	476,989	451,124	928,113	23,059
Berea Renovation					
Architectural Services		-	9,818	9,818	
Furniture & Fixtures		-	3,305	3,305	
Construction and Renovation		-	116,054	116,054	
General Contingency		-	-	-	
Total	191,211	-	129,177	129,177	62,034
Total Expenditures	9,740,840	6,432,619	1,673,304	8,105,923	1,634,917
Revenues Over (Under) Expenditures	(9,711,840)	(6,411,967)	(1,671,756)	(8,083,723)	1,628,117
OTHER FINANCING SOURCES (USES)					
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	\$ -	\$ 3,299,873	(1,671,756)	\$ 1,628,117	\$ 1,628,117
Fund Balance - July 1			3,299,873		
Fund Balance - June 30			\$ 1,628,117		

**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, 2012**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Favorable (Unfavorable)
REVENUES					
Investment earnings	\$ 33,200	\$ 31,733	\$ 1,734	\$ 33,467	\$ 267
Miscellaneous revenue	4,100	4,100	-	4,100	-
Total Revenues	37,300	35,833	1,734	37,567	267
EXPENDITURES					
Capital Outlay					
Land acquisition	357,021	357,020	-	357,020	1
Building & site construction	12,500,000	8,910,826	2,572,213	11,483,039	1,016,961
Architect & engineering fees	831,588	708,038	72,262	780,300	51,288
Program management fees	482,411	412,192	70,218	482,410	1
Other contracts & charges	1,630,489	418,361	1,029,383	1,447,744	182,745
Project contingency	-	-	-	-	-
Total	15,801,509	10,806,437	3,744,076	14,550,513	1,250,996
Debt Service					
Issuance costs	235,791	235,790	-	235,790	1
Total	235,791	235,790	-	235,790	1
Total Expenditures	16,037,300	11,042,227	3,744,076	14,786,303	1,250,997
Revenues Over (Under) Expenditures	(16,000,000)	(11,006,394)	(3,742,342)	(14,748,736)	1,251,264
OTHER FINANCING SOURCES (USES)					
Transfer from General Fund	1,000,000	1,000,000	-	1,000,000	-
Transfer to 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)	16,000,000	17,000,000	(1,000,000)	16,000,000	-
Excess of Revenues and Other Sources Over (Under) Expenditures And Other Uses	\$ -	\$ 5,993,606	(4,742,342)	\$ 1,251,264	\$ 1,251,264
Fund Balance - July 1			5,993,606		
Fund Balance - June 30			\$ 1,251,264		

ENTERPRISE FUND

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.

- **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, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Restricted intergovernmental				
NC Electronics Management Funds	\$ 5,000	\$ 4,692	\$ 308	\$ 4,137
Operating revenues				
Landfill user fees	400,000	353,351	(46,649)	414,355
Solid waste charges	1,055,000	1,042,132	(12,868)	1,045,421
Other operating revenues				
White goods		18,919		118,428
Scrap tire disposal tax		74,382		67,958
Solid waste disposal tax		32,271		31,152
Compost/Mulch sales		2,277		2,057
Miscellaneous		17,571		1,025
Total	<u>111,500</u>	<u>145,420</u>	<u>33,920</u>	<u>220,620</u>
Total Operating Revenues	<u>1,571,500</u>	<u>1,545,595</u>	<u>(25,597)</u>	<u>1,684,533</u>
Nonoperating Revenues				
Interest earned on investments	701,500	4,524	(696,976)	3,864
Total Revenues	<u>2,273,000</u>	<u>1,550,119</u>	<u>(722,573)</u>	<u>1,688,397</u>
<u>EXPENDITURES</u>				
Solid Waste Operations				
Professional Services		-		-
Printing		150		150
Supplies and materials		143		1,657
Manned sites		411,993		399,024
Oil and Anti-Freeze Disposal		2,047		4,414
Freon Removal		1,599		2,712
Waste disposal		353,741		347,795
Container transportation		254,835		244,841
Maintenance and grounds		2,283		2,270
Miscellaneous		420		441
Total	<u>1,119,134</u>	<u>1,027,211</u>	<u>91,923</u>	<u>1,003,304</u>
Site remodeling and construction	37,742	19,542	18,200	3,165
Total Solid Waste Operations	<u>1,156,876</u>	<u>1,046,753</u>	<u>110,123</u>	<u>1,006,469</u>

GRANVILLE COUNTY, NORTH CAROLINA
SOLID WASTE MANAGEMENT
SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012		Variance	2011
	Budget	Actual	Positive (Negative)	Actual
Landfill Operations				
Salaries and employee benefits		167,026		158,144
Administrative fee		25,000		25,000
Professional services		30,552		54,794
Credit card charges		878		741
Gas, oil, tires		4,420		8,146
Supplies and materials		10,988		5,461
Brush grinding		25,400		23,404
Travel		1,426		666
Telephone and postage		4,021		4,302
Utilities		3,389		3,655
Printing		68		370
Maintenance and grounds		9,637		1,645
Advertising		657		169
Tire disposal		70,928		66,184
Registration and training		4,386		2,373
Contract services		246,044		240,664
Brush pile maintenance		365		1,128
Computer service		2,874		1,295
Noncapitalized equipment		5,870		27,412
Miscellaneous		4,418		940
Total Landfill Operations	746,239	618,347	127,892	626,493
Convenience sites				
Professional services	95,120	-	95,120	-
Budgetary Appropriations				
Capital outlay - solid waste	91,500	84,000	7,500	-
Capital outlay - landfill	3,894,635	564,753	3,329,882	-
Capital outlay - convenience sites	566,415	58,061	508,354	65,024
Total	4,552,550	706,814	3,838,236	65,024
Total Expenditures	6,550,785	2,371,914	4,076,251	1,697,986
Revenues Over (Under) Expenditures	(4,277,785)	(821,795)	3,455,990	(9,589)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers-in/out				
Landfill Capital Reserve Fund	-	-	-	2,973,770
General Fund	-	-	-	-
Fund Balance Appropriated				
Convenience sites	-	-	-	-
Landfill	4,094,909	-	(4,094,909)	-
Solid Waste	182,876	-	(182,876)	-
Total Other Financing Sources (Uses)	4,277,785	-	(4,277,785)	2,973,770
Revenues Over (Under) Sources and Other Uses	\$ -	\$ (821,795)	\$ (821,795)	\$ 2,964,181

GRANVILLE COUNTY, NORTH CAROLINA
SOLID WASTE MANAGEMENT
SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
			Variance Positive (Negative)	
	Budget	Actual		Actual
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Excess of revenues over (under) expenditures		\$ (821,795)		\$ 2,964,181
Depreciation		(26,722)		(11,188)
Capital outlay		668,314		-
(Increase) decrease in accrued landfill closure and postclosure care costs		(83,474)		(5,564)
(Increase) decrease in other postemployment benefits		(9,053)		(9,044)
(Increase) decrease in accrued vacation payable		188		2,535
Net Income (loss)		<u>\$ (272,542)</u>		<u>\$ 2,940,920</u>

INTERNAL SERVICE FUND

Internal Service funds are used to account for the financing of goods and services provided by one department or other departments of the County.

- **County Health Plan Fund:** This fund is used to account for the County's health insurance transactions.

GRANVILLE COUNTY, NORTH CAROLINA
COUNTY HEALTH PLAN FUND
SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Contributions from employees	\$ 100,000	\$ 150,360	\$ 50,360	\$ -
Miscellaneous	-	2,500	2,500	-
Total revenues	100,000	152,860	52,860	-
Expenditures				
Health insurance administration	100,000	46,464	53,536	-
Total expenditures	100,000	46,464	53,536	-
Revenues over (under) expenditures	-	106,396	106,396	-
Appropriated fund balance	-	-	-	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>106,396</u>	<u>\$ 106,396</u>	<u>-</u>
Fund balances				
Beginning of year, July 1		-		-
End of year, June 30		<u>\$ 106,396</u>		<u>\$ -</u>
Reconciliation from financial plan basis (modified accrual) to full accrual:				
Total revenues		\$ 152,860		
Total expenditures		<u>46,464</u>		
Change in net assets		<u>\$ 106,396</u>		

AGENCY FUNDS

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.

- **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.
- **Inmate Trust Fund:** This agency fund is used to account for receipts and disbursements made by the County on behalf of inmates.
- **Sheriff's Evidence, Execution and Special Account Fund:** This agency fund is used to account for receipts and disbursements made by the County involving sheriff's funds.

GRANVILLE COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	Agency Funds					Total Agency Funds
	Social Services Fund	Granville County Tourism Development Authority	DMV Interest Fund	Inmate Trust Fund	Sheriff's Evidence, Execution and Special Fund	
ASSETS						
Cash and investments	\$ 40,118	\$ -	\$ 2,329	\$ 8,459	\$ 94,134	\$ 145,040
Due from other fund	-	32,239	-	-	-	32,239
Total Assets	<u>\$ 40,118</u>	<u>\$ 32,239</u>	<u>\$ 2,329</u>	<u>\$ 8,459</u>	<u>\$ 94,134</u>	<u>\$ 177,279</u>
LIABILITIES AND NET ASSETS						
Liabilities:						
Miscellaneous liabilities	\$ 40,118	\$ -	\$ 2,329	\$ 8,459	\$ 94,134	\$ 145,040
Due to component unit	-	32,239	-	-	-	32,239
Total Liabilities	<u>40,118</u>	<u>32,239</u>	<u>2,329</u>	<u>8,459</u>	<u>94,134</u>	<u>177,279</u>
Net Assets:						
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 40,118</u>	<u>\$ 32,239</u>	<u>\$ 2,329</u>	<u>\$ 8,459</u>	<u>\$ 94,134</u>	<u>\$ 177,279</u>

GRANVILLE COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
<u>Social Services</u>				
Assets				
Cash and cash equivalents	\$ 50,155	\$ 236,705	\$ 246,742	\$ 40,118
Liabilities				
Miscellaneous liabilities	\$ 50,155	\$ 236,705	\$ 246,742	\$ 40,118
<u>Granville County Tourism Development Authority</u>				
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other fund	16,153	32,239	16,153	32,239
Total	\$ 16,153	\$ 32,239	\$ 16,153	\$ 32,239
Liabilities				
Due to component unit	\$ 16,153	\$ 32,239	\$ 16,153	\$ 32,239
<u>DMV Interest Fund</u>				
Assets				
Cash and cash equivalents	\$ 2,378	\$ 40,173	\$ 40,222	\$ 2,329
Liabilities				
Due to DMV	\$ 2,378	\$ 40,173	\$ 40,222	\$ 2,329
<u>Inmate Trust Fund</u>				
Assets				
Cash and cash equivalents	\$ 3,043	\$ 101,476	\$ 96,060	\$ 8,459
Liabilities				
Miscellaneous liabilities	\$ 3,043	\$ 101,476	\$ 96,060	\$ 8,459
<u>Sheriff's Evidence, Execution and Special Account Fund</u>				
Assets				
Cash and cash equivalents	\$ 56,192	\$ 97,934	\$ 59,992	\$ 94,134
Liabilities				
Miscellaneous liabilities	\$ 56,192	\$ 97,934	\$ 59,992	\$ 94,134
<u>Total - All Agency Funds</u>				
Assets				
Cash and cash equivalents	\$ 111,768	\$ 476,288	\$ 443,016	\$ 145,040
Due from other fund	16,153	32,239	16,153	32,239
Total	\$ 127,921	\$ 508,527	\$ 459,169	\$ 177,279
Liabilities				
Miscellaneous liabilities	\$ 111,768	\$ 476,288	\$ 443,016	\$ 145,040
Due to component unit	16,153	32,239	16,153	32,239
Total	\$ 127,921	\$ 508,527	\$ 459,169	\$ 177,279

OTHER SCHEDULES

This schedule contains additional information required on property taxes.

- 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, 2012

Fiscal Year	Uncollected Balance June 30, 2011	Additions	Collections and Adjustments	Uncollected Balance June 30, 2012
2012	\$ -	\$ 30,829,224	\$ (29,923,658)	\$ 905,566
2011	888,732	-	(692,682)	196,050
2010	415,825	-	(104,568)	311,257
2009	186,927	-	(67,864)	119,063
2008	241,284	-	(31,724)	209,560
2007	274,635	-	(19,950)	254,685
2006	64,978	-	(5,366)	59,612
2005	60,941	-	(4,286)	56,655
2004	55,216	-	(2,554)	52,662
2003	55,705	-	(1,654)	54,051
2002	62,282	-	(62,282)	-
	<u>\$ 2,306,525</u>	<u>\$ 30,829,224</u>	<u>\$ (30,916,588)</u>	<u>\$ 2,219,161</u>

Reconciliation with revenues:

Taxes-ad valorem-General Fund	\$ 31,873,214	
Interest and Discounts	<u>(1,018,052)</u>	
		30,855,162

Amounts written off for tax year 2001 - 2002
per statute of limitations

61,426

Total Collections and Credits

\$ 30,916,588

GRANVILLE COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
JUNE 30, 2012

	County-wide			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Total Levy		
Original levy:					
Property taxed at current year's rate	\$ 3,517,432,454	0.795	\$ 27,963,588	\$ 27,963,588	\$ -
Motor vehicles at current year's rate	235,177,862	0.795	1,869,664	-	1,869,664
Motor vehicles at prior year's rate	125,279,497	0.795	995,972	-	995,972
Discoveries:					
Current and prior year's taxes	124,469,560	0.795	989,533	951,697	37,836
Abatements	(7,083,396)	0.795	(56,313)	(18,730)	(37,583)
Total Property Valuation	<u>\$ 3,995,275,976</u>				
Net Levy			31,762,444	28,896,555	2,865,889
Uncollected taxes at June 30, 2012			<u>905,566</u>	<u>444,886</u>	<u>460,680</u>
Current year's taxes collected			<u>\$ 30,856,878</u>	<u>\$ 28,451,669</u>	<u>\$ 2,405,209</u>
Current levy collection percentage			<u>97.15%</u>	<u>98.46%</u>	<u>83.93%</u>

STATISTICAL SECTION

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 TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 5,749,001
Restricted	580,799	134,488	107,052	-	-	30,967	-	-	13,824,466	22,894,879
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)	(46,031,350)
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>	<u>(17,387,470)</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	1,930,932
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)	(740,690)	(1,654,823)
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>548,651</u>	<u>276,109</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	7,679,933
Restricted	580,799	134,488	107,052	-	-	30,967	-	-	13,824,466	22,894,879
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)	(36,518,882)	(47,686,173)
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>\$ (8,236,614)</u>	<u>\$ (17,111,361)</u>

TABLE 2

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
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	\$ 4,259,610
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	9,823,361
Transportation	81,109	-	87,213	133,184	161,752	228,242	142,623	161,465	161,525	135,410
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	9,772,776
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	11,590,347
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	3,246,796
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	17,583,181
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	2,425,015
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	58,836,496
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	1,822,661
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	1,822,661
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	60,659,157
Program Revenues										
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	625,684
Public Safety	654,182	790,460	791,072	1,088,446	802,327	924,126	795,836	687,119	621,263	643,455
Environmental Protection	-	-	-	370	-	-	-	-	-	-
Economic and physical development	-	-	-	-	-	-	-	-	17,800	3,560
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	89,602
Community Services	168,485	196,402	245,038	321,200	354,237	286,584	212,183	203,054	192,996	185,681
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	55,955
Public Safety	240,534	298,679	312,546	345,704	357,011	526,668	676,647	645,268	678,364	1,057,350
Transportation	-	-	-	-	-	-	177,704	192,410	261,137	259,741
Economic and physical development	-	20,000	-	75,000	-	-	3,009	-	738,449	27,500
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	6,421,666
Community Services	216,138	263,599	288,268	193,210	193,001	180,085	195,205	265,444	168,581	151,288
Education	-	-	-	5,000	-	-	-	-	-	800,000
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	147,875
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	10,469,357
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	1,540,903
Capital grants and contributions	-	-	-	-	-	-	-	-	4,137	4,692
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	1,545,595
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	12,014,952

TABLE 2

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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)	(3,577,971)
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)	(8,122,556)
Transportation	-	90,182	-	(27,931)	(12,655)	(56,771)	417,143	30,945	99,612	124,331
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	(9,593,841)
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)	(5,079,079)
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)	(2,909,827)
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)	(16,783,181)
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)	(2,425,015)
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)	(277,066)
Total primary government net expenses	(25,139,169)	(24,509,998)	(27,561,762)	(41,415,424)	(56,508,748)	(41,177,808)	(34,742,939)	(35,719,720)	(43,514,690)	(48,644,205)
General Revenues and Other Changes in Net Assets										
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	31,803,407
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	5,512,386
Other taxes and licenses	725,801	721,619	785,834	865,181	295,200	1,019,520	666,540	523,113	1,576,079	1,777,995
Investment earnings	353,028	211,017	574,177	1,994,666	1,878,138	1,317,899	536,617	182,190	127,862	61,598
Miscellaneous	245,041	189,931	129,741	309,682	578,191	180,056	265,978	(163,201)	378,224	609,548
Transfers	108,350	(176,600)	-	227,150	(810,551)	594,882	-	-	(2,973,770)	-
Total general revenues, special items and transfers	26,286,081	27,776,227	29,858,876	35,277,098	36,048,879	38,735,978	36,605,667	36,717,784	35,652,566	39,764,934
Total governmental activities	26,286,081	27,776,227	29,858,876	35,277,098	36,048,879	38,735,978	36,605,667	36,717,784	35,652,566	39,764,934
Business-type activities:										
Investment earnings	48,132	33,463	60,065	129,052	162,654	144,531	60,025	5,522	3,864	4,524
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	(60,218)	210,063	75,710	148,135	1,135,565	(4,134,047)	60,025	5,522	2,977,634	4,524
Total business-type activities	(60,218)	210,063	75,710	148,135	1,135,565	(4,134,047)	60,025	5,522	2,977,634	4,524
Total primary government	26,225,863	27,986,290	29,934,586	35,425,233	37,184,444	34,601,931	36,665,692	36,723,306	38,630,200	39,769,458
Changes in Net Assets										
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)	(8,602,205)
Business-type activities	126,368	211,853	98,354	490,526	1,301,385	(8,942,942)	(612,222)	(555,819)	2,940,920	(272,542)
Total primary government	\$ 1,086,694	\$ 3,476,292	\$ 2,372,824	\$ (5,990,191)	\$ (19,324,304)	\$ (6,575,877)	\$ 1,922,753	\$ 1,003,586	\$ (4,884,490)	\$ (8,874,747)

TABLE 3

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

Fiscal Year	Property Tax	Local Sales Tax	Alcoholic Beverage Tax	Occupancy Tax*	Other Tax	Total
2003	\$ 18,021,577	\$ 6,832,284	\$ 20,514	\$ 101,642	\$ 603,645	\$ 25,579,662
2004	18,366,958	8,463,302	21,162	85,508	614,949	27,551,879
2005	19,218,210	9,150,914	21,752	96,797	667,285	29,154,958
2006	22,243,741	9,636,678	23,074	99,249	742,858	32,745,600
2007	23,410,571	10,697,330	22,856	112,187	160,157	34,403,101
2008	26,593,546	9,030,075	22,762	155,041	841,717	36,643,141
2009	27,423,928	7,712,604	23,582	202,191	440,767	35,803,072
2010	30,260,553	5,915,129	23,224	188,877	311,012	36,698,795
2011	31,614,844	4,929,327	23,213	185,671	1,367,195	38,120,250
2012	\$ 31,803,407	\$ 5,512,386	\$ 23,774	\$ 178,497	\$ 1,575,724	\$ 39,093,788

* Occupancy tax levy rate changed from 3% to 6% effective January 1, 2008.

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

TABLE 4

	Fiscal Year		
	Restated* 2010	2011	2012
General Fund			
Nonspendable			
Prepaid items	\$ -	\$ 4,000	\$ 368
Restricted			
Stabilization by State Statute	3,334,751	2,831,605	2,694,795
Register of Deeds	-	12,748	33,561
Human Services	-	-	13,591,044
School Capital Outlay	739,572	-	-
Committed			
Tax Revaluation	110	98,122	196,283
Public Safety	-	-	591,606
Assigned			
Subsequent year's expenditures	990,730	768,172	1,418,657
Economic & Physical Development	1,003,828	960,000	1,232,800
Unassigned	18,741,118	19,324,317	11,353,100
Total general fund	\$ 24,810,109	\$ 23,998,964	\$ 31,112,214
All other governmental funds			
Restricted			
Stabilization by State Statute	39,779	39,779	135,549
School Capital Outlay	(62,241)	5,993,606	1,251,264
Recreation	(11,928)	67,752	63,319
Library	8,217,974	3,620,138	1,938,922
Public Safety	1,204,897	1,258,838	194,485
Economic & Physical Development	-	-	2,644,258
Committed			
Economic & Physical Development	1,622,072	210,014	33,564
Assigned	-	-	-
Unassigned	-	-	-
Total other governmental funds	\$ 11,010,553	\$ 11,190,127	\$ 6,261,361

TABLE 4a

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
General fund								
Reserved by state statute	\$ 2,781,231	\$ 2,888,196	\$ 2,369,164	\$ 2,862,589	\$ 4,026,907	\$ 3,109,806	\$ 3,215,946	\$ 3,007,806
Reserved For Register of Deeds	47,935	76,488	107,052	-	-	30,967	-	-
Unreserved (available for appropriation)								
Designated for subsequent year's expenditures	385,000	1,423,101	1,525,000	612,000	2,259,481	724,520	492,435	870,530
Designated for redundant water line - Oxford	532,864	-	-	-	-	-	-	-
Designated for repayment of economic incentives	-	-	-	-	-	-	-	1,003,828
Undesignated	8,543,508	9,709,748	11,871,907	14,332,810	11,966,953	16,290,833	18,146,260	18,349,340
Town of Butner Advisory Board	-	-	-	-	-	-	-	-
Recreation	-	58,000	-	-	-	-	-	-
Total general fund	<u>12,290,538</u>	<u>14,155,533</u>	<u>15,873,123</u>	<u>17,807,399</u>	<u>18,253,341</u>	<u>20,156,126</u>	<u>21,854,641</u>	<u>23,231,504</u>
All other governmental funds								
Reserved by state statute	511,438	213,190	320,894	418,445	1,074,342	471,549	504,490	423,684
Reserved for Register of Deeds	-	-	-	-	-	-	-	-
Reserved for school construction	-	-	23,857,405	11,783,531	-	-	-	-
Reserved for public improvement construction	-	-	771,360	735,887	632,366	-	-	-
Unreserved (available for appropriation)								
Designated for subsequent year's expenditures								
Special revenue funds	376,520	58,157	911,450	896,468	132,227	229,895	1,230,872	995,489
Capital Projects	224,338	208,900	190,700	299,700	(496,053)	231,430	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>

* Fiscal years 2004 through 2010 are presented in the Pre-GASB 54 format on the bottom table with Fiscal years 2010, 2011, 2012 presented showing the GASB 54 format. Fiscal year 2010 was restated by County Finance Staff and represents and was not subject to audit procedures.

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
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	\$ 31,873,214
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	7,271,408
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	2,074,806
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	9,382,743
Investment earnings	355,461	211,017	530,267	2,001,898	1,870,843	1,361,872	536,617	182,190	127,862	61,598
Miscellaneous	313,443	253,393	209,480	281,486	241,952	250,119	324,509	341,778	371,189	293,653
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	50,957,422
Expenditures										
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	2,912,726
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	10,087,628
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	3,116,885
Economic and physical development	-	3,039	-	249,843	400	317,475	78,384	74,319	108,058	406,286
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	10,683,159
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	7,761,846
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	2,091,297
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	17,583,181
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	5,317,182
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	2,812,748
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	62,772,938
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)	(11,815,516)
Other financing sources (uses)										
Debt proceeds	-	-	26,265,000	-	11,000,000	3,859,760	-	19,815,000	16,000,000	14,000,000
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	4,207,569
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)	(4,207,569)
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	14,000,000
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)	2,184,484
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)	\$ 2,184,484
Debt service as a percentage of noncapital expenditures	7.53%	5.44%	5.16%	7.01%	5.84%	9.74%	10.39%	11.40%	11.79%	15.05%

TABLE 6

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

Fiscal Year	Property Tax	Sales Tax	Alcoholic Beverage Tax	Other Taxes	Total
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	11,606	503,656	37,040,938
2012	\$ 31,873,214	\$ 5,512,386	\$ 11,887	\$ 490,872	\$ 37,888,359

TABLE 7

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

Fiscal Year Ended June 30	Property Excluding Registered Motor Vehicles	Motor Vehicles	Plus Discoveries	Less Abatements	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable/Market Value	Assessed Value as a Percentage of Market Value
2003	\$2,573,189,240	\$ 132,879,429	\$ 97,419,922	\$ (6,967,575)	\$ 2,796,521,016	0.635	\$ 17,757,908	\$ 17,757,908	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	22,126,857	22,378,731	98.87%
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	26,464,983	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	30,272,247	30,820,858	98.22%
2011	3,495,709,869	341,241,745	127,933,962	(9,200,000)	3,955,685,576	0.795	31,447,700	30,325,651	103.70%
2012	\$3,517,432,454	\$ 360,457,359	\$ 124,469,560	\$ (7,083,396)	\$ 3,995,275,977	0.795	\$ 31,762,444	\$ 30,258,592	104.97%

Source: Granville County Tax Department

TABLE 8

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

	Fiscal Year Ended									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
County Direct Rates*										
County-wide Rate	0.7950	0.7950	0.8250	0.7550	0.7550	0.7000	0.7000	0.6350	0.6350	0.6350
Municipality Rates										
City of Oxford	0.6000	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	0.4500	0.3500
Town of Stovall	0.4900	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	0.7000	0.7250	0.7250	0.7000	0.6900	0.6500	0.6500	0.6600
Town of Butner^	0.3500	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	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	0.1000
Oxford Municipal Service District	0.2000	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	0.1000

^ 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, 2012
CURRENT YEAR AND FIVE YEARS AGO***

Taxpayer	2012			2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Revlon	\$ 64,564,611	1	1.62%	\$ 67,127,366	1	2.02%
Certainteed Corporation	56,265,515	2	1.41%	31,946,482	2	0.96%
Progress Energy Carolinas	38,150,377	3	0.95%	29,940,047	3	0.90%
WAKE EMC	25,964,730	4	0.65%	18,808,827	8	0.57%
Bridgestone Commercial Solutions^	22,642,130	5	0.57%	21,524,964	5	0.65%
SantaFe Natural Tobacco Company	21,339,599	6	0.53%			0.00%
Carefusion EIT LLC**	19,994,899	7	0.50%	20,841,179	6	0.63%
Butner Acquisition Company	19,598,899	8	0.49%	18,550,812	9	0.56%
Newton Instrument Company	14,317,678	9	0.36%	15,742,802	10	0.47%
Goldsboro Properties LLC	13,924,160	10	0.35%			0.00%
Athol Manufacturing Corp	-	-	0.00%	27,535,605	4	0.83%
Central Leasing USA	-	-	0.00%	20,394,561	7	0.61%
Totals	<u>\$ 296,762,598</u>		<u>7.43%</u>	<u>\$ 272,412,645</u>		<u>8.20%</u>

Source: Granville County Tax Department

* Management decided to present this table over a five year period rather than provide ten individual years of information to improve usefulness of the information. Given the changes in business environments, five years was determined to provide a clearer picture of economic change. (Note additional years information can be viewed on the County's web site under the Finance Department section: www.granvillecounty.org)

^ In 2007 Company name was Bandag Inc.

** In 2007 Company name was Alaris Medical Systems, Inc.

TABLE 10

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

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 17,997,517	\$ 17,048,343	94.73%	\$ 895,123	\$ 17,943,466	99.70%
2004	18,238,111	17,328,380	95.01%	857,069	18,185,449	99.71%
2005	19,036,984	18,176,364	95.48%	803,965	18,980,329	99.70%
2006	22,031,861	20,892,320	94.83%	1,079,929	21,972,249	99.73%
2007	23,253,821	21,965,301	94.46%	1,033,835	22,999,136	98.90%
2008	26,387,480	25,234,247	95.63%	943,673	26,177,920	99.21%
2009	27,319,983	26,261,609	96.13%	939,311	27,200,920	99.56%
2010	30,180,232	29,039,361	96.22%	829,614	29,868,975	98.97%
2011	31,512,371	30,623,639	97.18%	692,682	31,316,321	99.38%
2012	\$ 31,762,444	\$ 30,856,878	97.15%	\$ -	\$ 30,856,878	97.15%

Source: Granville County Tax Department

TABLE 11

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

Fiscal Year	Governmental Activities					Business-type Activities	Total Primary Government	Per Capita *	Percentage of Personal Income*
	General Obligation Bonds	Installment Obligations	Financing Agreements	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	1.53%
2005	41,855,000	-	-	-	550,481	779,848	43,185,329	809	3.46%
2006	39,890,000	-	-	-	467,126	661,761	41,018,887	762	3.00%
2007	47,415,000	1,481,608	-	-	380,581	539,157	49,816,346	885	3.34%
2008	44,965,000	5,118,689	-	-	290,725	-	50,374,414	915	3.26%
2009	42,515,000	4,745,717	-	-	197,431	-	47,458,148	844	3.11%
2010	49,345,000	4,369,561	-	-	100,570	-	53,815,131	957	3.47%
2011	46,635,414	3,990,096	-	16,000,000	-	-	66,625,510	1,100	3.92%
2012	\$ 43,363,248	\$ 17,607,184	\$ 8,048,861	\$ 15,510,000	\$ -	\$ -	\$ 84,529,293	1,389	4.86%

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.

* Total Personal income can be calculated using population and per capita income information found on Table 14 (total personal income for Granville County estimated at \$1,740,073,170 for fiscal year 2012).

TABLE 12

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Personal Income*	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2003	\$ 17,885,000	\$ -	\$ 17,885,000	1.59%	0.64%	341
2004	16,735,000	-	16,735,000	1.40%	0.58%	317
2005	41,855,000	-	41,855,000	3.36%	1.40%	784
2006	39,890,000	-	39,890,000	2.91%	1.26%	741
2007	47,415,000	-	47,415,000	3.28%	1.43%	868
2008	44,965,000	-	44,965,000	2.91%	1.28%	817
2009	42,515,000	-	42,515,000	2.79%	1.17%	756
2010	49,345,000	-	49,345,000	3.11%	1.34%	859
2011	46,635,414	-	46,635,414	2.74%	1.18%	770
2012	\$ 43,363,248	\$ -	\$ 43,363,248	2.49%	1.09%	712

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

* Total Personal income can be calculated using population and per capita income information found on Table 14
(total personal income for Granville County estimated at \$1,740,073,170 for fiscal year 2012).

GRANVILLE COUNTY, NORTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 319,622,078
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	84,529,293
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>	<u>\$ 235,092,785</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%	26.45%
Legal Debt Margin Calculation for Fiscal Year 2012										
Assessed value										\$ 3,995,275,977
Add back: exempt real property										-
Total assessed value										<u>3,995,275,977</u>
Debt limit (8% of total assessed value)										319,622,078
Debt applicable to limit:										
General obligation bonds										43,363,248
Installment Obligations										17,607,184
Certificates of Participation										15,510,000
Lease Financing Agreements - Governmental Activities										8,048,861
Total net debt applicable to limit										<u>84,529,293</u>
Legal debt margin										<u>\$ 235,092,785</u>

TABLE 14

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

Fiscal Year	(1) Population	(2) Per Capita Income	(3) Percent High School Graduate	Percent Bachelor's Degree or Higher	(4) School Enrollment	(5) Unemployment Rate
2003	52,386	21,435	72	13	8,503	8.6%
2004	52,824	22,589	67	13	8,649	7.4%
2005	53,356	23,361	73	13	8,677	6.5%
2006	53,840	25,430	72.4	13	8,704	5.1%
2007	54,606	26,492	66.9	13	8,756	5.2%
2008	55,045	28,098	60.7	13	8,831	6.5%
2009	56,250	27,104	58.4	13	8,786	10.4%
2010	57,434	27,588	65.3	14	8,637	9.9%
2011	60,547	28,085	78.3	14	8,545	10.5%
2012	60,863	28,590	79.9	14	8,505	10.1%

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

Source 2: Per capita income figures are from the United States Department of Commerce

Bureau of Economic Analysis. Most recent data available thru 2010.

Fiscal year 2011 & 2012 were estimated based on NC Department of Commerce growth projections.

(Note: fiscal years 2003 - 2010 were restated to reflect a single source of information. Previous tables in prior year CAFR documents utilized a different source for this information)

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 Department of Commerce - Labor & Economic Analysis Division

TABLE 15

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

2012				2009			
Employer	Employees	Rank	Percentage of Total County Employment	Employer	Employees	Rank	Percentage of Total County Employment
Revlon	1,700	1	2.83%	Revlon	2,500	1	10.96%
Altec Industries	450	2	0.75%	Selectron	500	2	2.19%
Certainfeed Corporation	308	3	0.51%	Food Lion Distribution	350	3	1.53%
Food Lion Distribution	270	4	0.46%	Certainfeed Corporation	300	4	1.32%
Bridgestone Bandag	172	5	0.29%	Ideal Fastener	300	5	1.32%
Clayton Homes	152	6	0.25%	Sandusky International/ Athol Division	300	6	1.32%
Flextronics	150	7	0.25%	Altec Industries	250	7	1.10%
Gate Precast	150	8	0.25%	Bandag, Inc.	250	8	1.10%
Ideal Fastner	150	9	0.25%	Clayton Homes	225	9	0.99%
Newton Instruments	145	10	0.24%	Lace Lastics	200	10	0.88%
Santa Fe Natural Tobacco	140	11	0.24%	Newton Instrument Co.	200	11	0.88%
PalletOne of North Carolina, Inc.	133	12	0.22%	Gate Precast	165	12	0.72%
Dill Air Controls Products, LLC	108	13	0.18%	Pallet One of North Carolina, Inc.	165	13	0.72%
Total	4,028		6.72%	Total	5,705		25.03%

Source: Information from Granville County Economic Development Commisison

* Management decided to present this table over a three year period rather than provide ten individual years of information to improve usefulness of the information. Given the changes in business environments, a three year period was determined to provide a clearer picture of economic change. (Note additional years information can be viewed on the County's web site under the Finance Department section: www.granvillecounty.org)

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

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government	29	31	31	39	39	38	40	35	35	35.5
Human Services	85	87	90	95	95	98	98	98.5	98.5	100
Community Services	26.5	26.5	28.5	34.5	35.5	37	37	40.5	42.5	44.5
Public Safety										
Sheriff's Dept./Detention Center	70	74	77	79.5	79.5	85	85	90.5	94.5	99.5
Emergency Services*	67	71	77	77.5	78.5	78.5	78.5	72.5	25	26
Emergency Management	1.5	1.5	1.5	3.5	3.5	3.5	3.5	3	3	4
Solid Waste	2	3	3	5	5	5	5	4	4	4.5
Water & Sewer	3	3	3	3	3	0	0	0	0	0
Total	284	297	311	337	339	345	347	344	302.5	314

Source: Granville County Human Resource Department & Granville County Finance Department

* Emergency Services includes, Forestry, EMS, Emergency Communications, & Animal Control. On July 1, 2010 EMS Services & Staff were transferred to Granville Health Systems.

TABLE 17

GRANVILLE COUNTY, NORTH CAROLINA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety/Sheriff										
Incident Reports**	2,274	1,561	1,611	2,069	1,780	2,072	7,641	8,773	10,220	8,920
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	1,409
Court Papers	6,473	8,599	9,138	9,195	9,194	8,824	9,096	8,221	8,026	7,427
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	2,594
Inspections	125	132	163	167	170	206	141	172	205	233
Solid Waste										
C & D Landfill Tonnage	34,236	42,850	28,184	28,184	29,920	32,833	19,810	16,493	17,171	14,237
Convenience Sites Tonnage	6,870	7,387	7,548	7,548	8,563	8,808	8,572	8,635	8,248	8,069
Civil Citations	13	12	5	5	6	3	5	4	10	5
Criminal Citations	2	2	1	1	-	-	-	1	1	2
Community Services/Library										
Items Added to Physical Collection	9,401	6,467	9,886	7,931	9,060	9,465	8,231	2,429	8,903	7,297
Items Added to Virtual Collection^										4,067
Circulation	138,494	144,726	156,423	155,110	154,080	159,820	165,076	178,460	186,335	209,706
Internet Use	18,651	14,731	19,013	28,995	31,647	42,658	68,323	36,648	42,276	45,828
Program Attendance	8,451	6,121	9,951	7,762	11,803	10,564	6,347	4,378	4,261	6,594
Community Services/Planning & Inspections										
Number of Building Permits Issued	321	445	467	613	736	672	612	573	443	393
Number of Mobile Home Permits Issued	210	144	118	105	80	121	69	60	61	57
Number of Other Permits Issued (Includes Electrical, Plumbing & Mechanical)	841	837	675	848	507	431	466	548	574	588
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	2,464
Average # Family & Child Medicaid Cases	2,127	2,456	2,577	2,839	3,116	3,281	3,562	4,031	4,168	4,335
Average # Households Receiving Food Stamps	1,283	1,518	1,701	1,953	2,077	2,173	2,365	3,041	3,738	4,156
Average \$ Fraud Collections per Month	4,301	3,159	2,501	2,432	3,802	4,147	4,242	3,853	3,313	3,158
Education										
School enrollment	8,503	8,649	8,677	8,704	8,756	8,831	8,786	8,637	8,545	8,505

Sources: Various county government departments. School enrollment statistics are from the North Carolina Department of Public Instruction

^ Virtual collection includes e-books & downloadable audio books.

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

TABLE 18

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

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety										
Sheriff (Stations)	2	2	2	2	2	2	2	2	2	2
Fire stations	14	14	14	14	14	14	14	14	14	14
Highways and streets										
Streets (miles)	848	918	918	918	924	1508	1508	1510	1528	1534
Culture and recreation										
Parks	1	1	1	1	1	1	2	2	2	2
Libraries	4	4	4	4	4	4	4	4	4	4
Education										
Schools	14	14	14	16	18	18	18	19	19	20

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

COMPLIANCE SECTION

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

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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*

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, 2012, which collectively comprises Granville County's basic financial statements, and have issued our report thereon dated December 27, 2012. 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 27, 2012.

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 27, 2012

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

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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

Independent Auditor's Report

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, 2012. 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, 2012.

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Internal Control Over Compliance

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

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

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

We noted certain matters that we reported to management of Granville County, in a separate letter dated December 27, 2012.

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 27, 2012

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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

Independent Auditor's Report

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, 2012. 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, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about 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, 2012.

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Internal Control Over Compliance

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

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

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

We noted certain matters that we reported to management of Granville County, in a separate letter dated December 27, 2012.

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 27, 2012

**GRANVILLE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant Deficiency(s) identified that are not considered to be material weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
Noncompliance material to financial statements noted	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant Deficiency(s) identified that are not considered to be material weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
Noncompliance material to federal awards	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
---	------------------------------	--

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
93.778	Medical Assistance Program
93.568	Low-Income Home Energy Assistance Program
93.558, 93.575, 93.596, 93.714	Subsidized Child Care Cluster
93.767	Children's Health Insurance Fund

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 1,280,716

Auditee qualified as low-risk auditee?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
--	------------------------------	--

State Awards

Internal Control Over State Programs:

Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant Deficiency(s) identified that are not considered to be material weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Noncompliance material to state awards	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
--	------------------------------	--

**GRANVILLE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

Identification of major state Programs:

Program Name

Medical Assistance

Subsidized Child Care Cluster

Public School Building Capital Fund

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, 2012**

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, 2012**

Prior Year Audit Findings:

Financial Statement Findings

None reported.

Federal Award Findings

None reported.

State Award Findings

None reported.

GRANVILLE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL (DIRECT & PASS- THROUGH) EXPENDITURES	STATE EXPENDITURES
FEDERAL AWARDS:			
<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	\$ 24,897	\$ -
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Social Services:			
Administration:			
<u>Food Stamp Cluster:</u>			
State Administrative Matching			
Supplemental Nutrition Assistance Program	10.561	383,556	-
Total Food Stamp Cluster		383,556	-
Total U.S. Dept. of Agriculture		408,453	-
<u>U.S. Dept of Homeland Security</u>			
Passed-through N.C. Dept. of Crime Control and Public Safety:			
Emergency Management Performance Grant	97.042	6,546	-
Emergency Food and Shelter	97.024	2,000	-
Total Federal Emergency Management		8,546	-
<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	107,765	-
<u>U. S. Dept. of Justice</u>			
<u>Bureau of Justice Assistance</u>			
State Criminal Alient Assistance Program	16.606	3,737	-
Bullet Proof Vest	16.607	344	-
Equitable Sharing Program	16.922	542,764	-
Total U. S. Dept. of Justice		546,845	-
<u>U.S. Dept. of Energy</u>			
N.C. Department of Commerce State Energy Office			
ARRA Energy Efficiency Conservation Block Grant	81.128	3,407	-
<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	598	-
<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	40,110	-
Capital Assistance Program	20.513	89,520	11,190
Total U.S. Dept. of Transportation		129,630	11,190

GRANVILLE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL (DIRECT & PASS- THROUGH) EXPENDITURES	STATE EXPENDITURES
<u>U.S. Election Assistance Commission</u>			
Passed-through State Board of Elections Help America Vote Act	39.011	7,084	-
<u>U.S. Dept. of Health & 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 Family Caregiver Support	93.052	11,562	738
Special Programs for the Aging-Title III B Grants for Supportive Services and Senior Centers	93.044	90,418	127,530
Special Programs for the Aging-Title III C Nutrition Services	93.045	92,013	5,873
Home Delivered Meals	93.045	46,085	44,278
Total Aging Cluster		240,078	178,419
<u>Administration for Children and Families</u>			
Passed-through the N.C. Dept. of Health and Human Services Division of Social Services:			
<u>Foster Care and Adoption Cluster:</u>			
Foster Care, Title IV-E	93.658	156,189	13,073
Title IV-E Foster Care-Administration	93.658	8,571	-
Foster Care - Direct Benefit Payments	93.658	137,041	37,614
Adoption Assistance - Direct Benefit Payments	93.659	137,971	38,354
Total Foster Care and Adoption Cluster		439,772	89,041
Temporary Assistance for Needy Families (TANF)	93.558	706,024	-
TANF-Direct Benefit Payments	93.558	630,527	(84)
N. C. Child Support Enforcement	93.563	441,059	-
Promoting Safe and Stable Families	93.556	5,953	-
Low-Income Home Energy Assistance Block Grant:			
Administration	93.568	460,814	-
Child Welfare Services	93.645	16,454	2,237
SSBG-Other Service and Training	93.667	245,646	38,020
Family Violence Prevention	93.671	1,021	-
Independent Living Grant	93.674	13,954	3,488
Total Division of Social Services		2,961,224	132,702

GRANVILLE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL (DIRECT & PASS- THROUGH) EXPENDITURES	STATE EXPENDITURES
<u>Administration for Children and Families (cont.)</u>			
Division of Child Development:			
<u>Subsidized Child Care</u>			
<u>Child Care Development Fund Cluster:</u>			
Division of Social Services:			
Child Care Development Fund-Administration	93.596	80,550	-
Division of Child Development:			
Child Care and Development Block Grant	93.575	596,564	-
Child Care and Development Fund-Mandatory	93.596	217,152	-
Child Care and Development Fund-Match	93.596	262,502	106,035
Total Child Care Development Fund Cluster		<u>1,156,768</u>	<u>106,035</u>
TANF	93.558	258,141	-
Smart Start		-	(422)
TANF-Maintenance of Effort		-	66,401
ARRA Emergency Contingency Fund for			
TANF-State Programs	93.714	29,784	-
State Appropriations		-	150,158
Total Subsidized Child Care Cluster		<u>1,444,693</u>	<u>322,172</u>
<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	36,189,010	20,900,248
Division of Social Services:			
Administration:			
Medical Assistance Program	93.778	610,391	22,490
State Children's Insurance Program-			
N.C. Health Choice	93.767	26,548	2,302
Passed-through Dept. of Insurance			
SHIP Grant	93.779	6,267	-
Total U.S. Dept. of Health and Human Services		<u>41,478,211</u>	<u>21,558,333</u>
Total federal awards		<u>42,690,539</u>	<u>21,569,523</u>
STATE AWARDS:			
<u>N.C. Dept. of Cultural Resources</u>			
Division of State Library			
State Aid to Public Libraries		-	112,656
Total N.C. Dept. of Cultural Resources		<u>-</u>	<u>112,656</u>

GRANVILLE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

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		-	20,342
Division of Social Services:			
State/County Special Assistance for			
Adults-Direct Benefit Payments		-	420,586
State Foster Care at Risk Max-Direct Program Benefit		-	6,260
State Foster Care at Risk Direct		-	2,398
CWS Adoption Subsidy-Direct		-	196,810
Energy Assistance		-	6,860
Incentive/Program Integrity		-	4,052
Smart Start		-	27,940
State Foster Home-Direct		-	35,874
SFHF Maximization-Direct		-	72,246
Total N.C. Dept. of Health and Human Services		-	793,368
<u>N.C. Department of Public Instruction</u>			
Public School Building Capital Fund		-	800,000
Total N.C. Department of Public Instruction		-	800,000
<u>N.C. Dept. of Environmental and</u>			
<u>Natural Resources</u>			
Soil Technician Grant		-	25,500
Division of Waste Management			
Electronics Management		-	4,692
Total N.C. Dept. of Environmental and			
Natural Resources		-	30,192
<u>N.C. Dept. of Transportation</u>			
Rural Operating Assistance Program (ROAP)			
ROAP Elderly and Disabled Transportation			
Assistance Program		-	66,009
ROAP Rural General Public Program		-	66,912
ROAP Work First Transitional-Employment		-	26,110
Total N.C. Dept of Transportation		-	159,031
<u>N.C. Dept. of Commerce</u>			
Department of Commerce			
Economic Development One North Carolina Fund		-	27,500

GRANVILLE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL (DIRECT & PASS- THROUGH) EXPENDITURES	STATE EXPENDITURES
<u>N.C Dept. of Public Safety</u>			
Juvenile Crime Prevention Programs		-	244,942
<u>N.C. Dept. of Administration</u>			
Grant Veteran Service		-	1,452
Total State awards		-	2,169,141
Total federal and State awards		\$ 42,690,539	\$ 23,738,664

GRANVILLE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

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

<u>Program Title</u>	<u>CFDA #</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
Public School Building Capital Fund	-	-	800,000
Rural General Public Program (ROAP)	-	-	66,912
EDTAP (ROAP)	-	-	66,009
N.C. Dept. of Juvenile Justice and Delinquency Prevention			244,942

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.