

**COUNTY OF GREENE
Snow Hill, North Carolina**

FINANCIAL STATEMENTS

For The Fiscal Year Ended June 30, 2010

**Prepared By
BARROW, PARRIS & DAVENPORT, P.A.
Certified Public Accountants
Kinston, North Carolina**

GREENE COUNTY, NORTH CAROLINA

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FINANCIAL SECTION:

Independent Auditors' Report..... 1 – 2

Management's Discussion and Analysis 3 – 11

BASIC FINANCIAL STATEMENTS:

EXHIBIT

Government-wide Financial Statements:

1 Statement of Net Assets 12

2 Statement of Activities 13 – 14

Fund Financial Statements:

3 Balance Sheet – Governmental Funds 15

3 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets 15

4 Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds 16

5 Reconciliation of the Statement of Revenues, Expenditures, and Changes –
In Fund Balances of Governmental Funds to the Statement of Activities 17

6 Statement of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual – General Fund 18

7 Statement of Net Assets – Proprietary Funds 19

8 Statement of Revenues, Expenses, and Changes in Fund Net Assets –
Proprietary Funds 20

9 Statement of Cash Flows – Proprietary Funds 21 – 22

10 Statement of Fiduciary Net Assets – Fiduciary Funds 23

Notes to the Financial Statements 24 – 58

REQUIRED SUPPLEMENTARY INFORMATION

STATEMENT

Law Enforcement Officers' Special Separation Allowance:

1 Schedule of Funding Progress 59

2 Schedule of Employer Contributions and Notes to the Required Schedules 60

Other Postemployment Benefits:

3 Schedule of Funding Progress 61

4 Schedule of Employer Contributions and Notes to the Required Schedules 62

SUPPLEMENTARY INFORMATION
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:

| | | |
|----|---|---------|
| 5 | Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund – Budget and Actual | 63 – 70 |
| 6 | Statement of Revenues, Expenditures and Changes in Fund Balance – Jail Construction Capital Project Fund – Budget and Actual | 71 |
| 7 | Combining Balance Sheet – Nonmajor Governmental Funds | 72 – 73 |
| 8 | Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds | 74 – 75 |
| 9 | Fire District Funds..... | 76 |
| 10 | Property Revaluation Fund..... | 77 |
| 11 | Emergency Telephone System Fund | 78 |
| 12 | 2006 Community Development Block Grant Fund | 79 |
| 13 | Yamco Expansion Project Fund | 80 |
| 14 | 2009 Community Development Block Grant | 81 |
| 15 | School Capital Finance Fund | 82 |
| 16 | Recreation Park Project Fund | 83 |
| 17 | American Prawn Cooperative Project Fund | 84 |
| 18 | Utility Fund..... | 85 – 86 |
| 19 | Utility Capital Reserve Fund | 87 |
| 20 | Utility Alternative Water Supply Capital Reserve Fund | 88 |
| 21 | Utility Cutter Creek Sewer Construction Project Fund | 89 |
| 22 | Utility Alternative Water Phase 1A Project Fund | 90 |
| 23 | Utility Alternative Water Phase 1C Project Fund..... | 91 |
| 24 | Utility Alternative Water Phase 1F Project Fund | 92 |
| 25 | Water and Sewer District 1 Capital Project Fund | 93 |
| 26 | Landfill Fund | 94 – 95 |
| 27 | Transportation System Fund | 96 |
| 28 | ASO-Self Funded Medical Insurance Internal Service Fund..... | 97 |
| 29 | Combining Statement of Changes in Assets and Liabilities – Agency Funds..... | 98 |

STATISTICAL SECTION:

30 Statement of Ad Valorem Taxes Receivable.....99

31 Analysis of Current Tax Levy – County-Wide Levy100

32 Ten Largest Taxpayers.....101

COMPLIANCE SECTION:

SCHEDULE

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*102 – 103

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.....104 – 105

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.....106 – 107

1 Schedule of Findings and Questioned Costs108 – 113

2 Corrective Action Plan114 – 115

3 Summary Schedule of Prior Audit Findings.....116

4 Schedule of Expenditures of Federal and State Financial Awards117 – 124

FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

The Board of County Commissioners
Greene County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Greene County, North Carolina as of and for the year then ended June 30, 2010, which collectively comprise Greene County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Greene County, North Carolina's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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 the Greene County ABC Board 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 provides a reasonable basis for our opinions.

In our opinion, 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 unit, each major fund, and the aggregate remaining fund information of Greene County, North Carolina as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2010 on our consideration of Greene County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and the Law Enforcement Officer's Special Separation Allowance and the Other Postemployment Benefits Schedules of Funding Progress and Employer Contributions are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Greene County, North Carolina. The 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 presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules, other schedules and the accompanying schedule of expenditures of federal and State awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory information and the statistical tables have not been subjected to the auditing procedures applied in the audit of basic financial statements and, accordingly, we express no opinion on them.

Barrow, Parris & Davenport, P.A.

BARROW, PARRIS & DAVENPORT, P.A.

December 28, 2010

Management's Discussion and Analysis

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

Financial Highlights

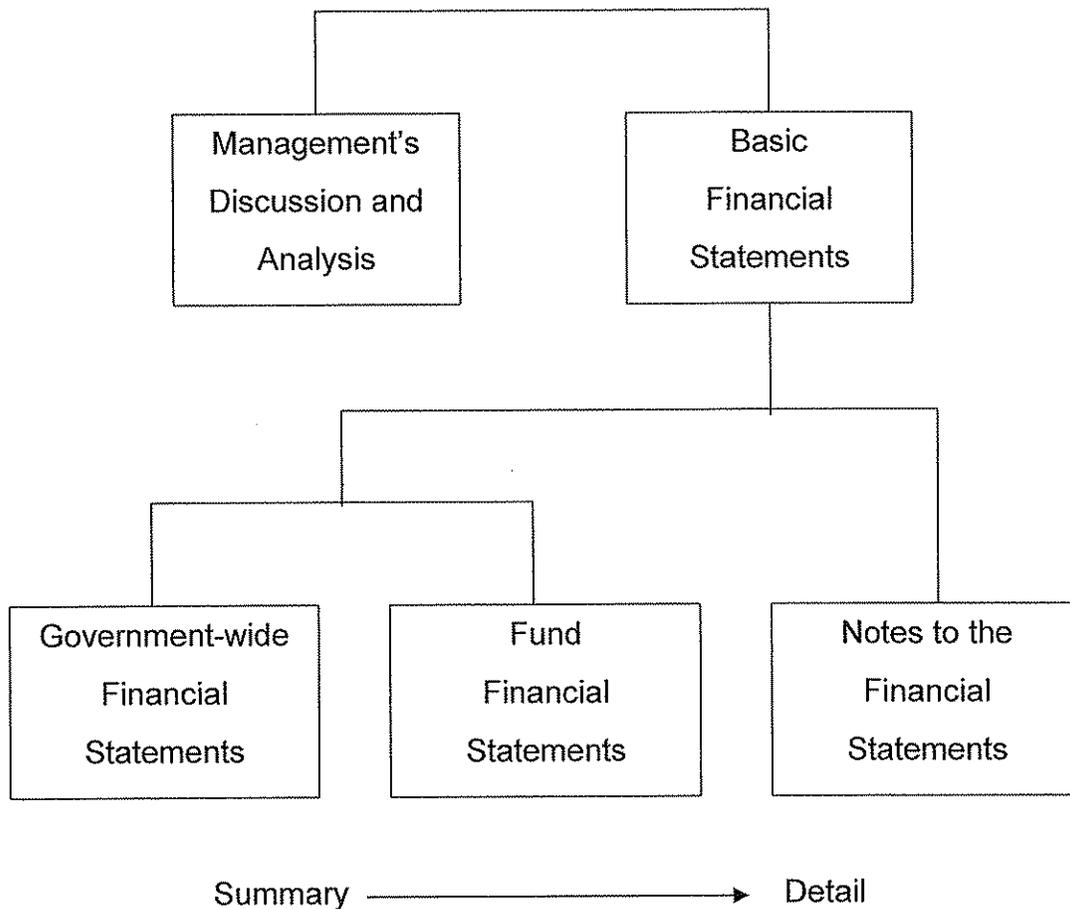
- The assets of Greene County exceeded its liabilities at the close of the fiscal year by \$32,688,680.
- The government's total net assets increased by \$2,815,918, primarily due to increased net assets in the Utility Fund. This compares to an increase of \$3,043,270 in 2009.
- As of the close of the current fiscal year, Greene County's governmental funds (which include the general, special revenue and capital projects funds) reported combined ending fund balances of \$10,332,987, a decrease of \$6,166,221 in comparison with the previous year. Approximately 22.01% of this total amount, or \$2,274,170 is available for spending at the government's discretion (unreserved fund balance). In 2009, the unreserved fund balance was \$2,754,516, or 16.69% of expenditures.
- At the end of the fiscal year, unreserved fund balance for the General Fund was \$1,243,236, or 7.59% of total General Fund expenditures for the fiscal year. In 2009, unreserved fund balance in the General Fund was \$1,907,772 or 11.09% of total General Fund expenditures.
- Greene County's total debt increased by \$6,098,166, or 25.22% during the current fiscal year. New debt totaling \$7,237,372 was issued during the current fiscal year. The key factors in new issuances include 1) Bond Anticipation Note proceeds to complete construction of the Greenville Utilities Commission Waterline Improvements Project Phase 1C; and 2) Drinking Water State Revolving Funds Program (DWSRF) funds to complete construction of the Greenville Utilities Commission Waterline Improvements Project Phase 1F.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Greene 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 Greene County.

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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 and the County's financial status.

The next statements (Exhibits 3 through 10) 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 of 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 on 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 also can be found in this part of the statements.

Following the notes is the required supplementary 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 the 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 public safety, parks and recreation, and general administration. Property taxes and state and federal grants finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the Utility, Landfill, and Transportation services. The final category is the component units. Greene County Water & Sewer District I (the District) was established to provide sewer service for the school system and county residents within the District. The District was formed November 4, 2002 in accordance with North Carolina General Statute 162A-86. The District has been included with the County's Utility Fund. The Greene County Industrial Facility and Pollution Control Financing 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, all of whom are appointed by the county commissioners. 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 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. Greene 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 or the County's budget ordinance. All of the funds of Greene 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 government 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.

Greene 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.

Management's Discussion and Analysis (continued)
County of Greene

Proprietary Funds - Greene County has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Greene County uses enterprise funds to account for its utility (water and sewer) operations, landfill operations (that include scrap tire and white goods), and transportation. These funds are the same as those separate activities 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 Greene County. The County uses an internal service fund to account for one activity – its self-funded medical insurance operations. 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. Greene County has three agency 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 begin on page 24 of this audited financial report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Greene County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 58.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Greene County exceeded the liabilities by \$32,688,680 as of June 30, 2010. As of June 30, 2009, the net assets of Greene County stood at \$29,872,762. The County's net assets increased by \$2,815,918 for the fiscal year ended June 30, 2010, compared to an increase of \$3,043,270 in 2009. One of the largest portions, \$23,868,958 (73.02%), reflects the County's investment in capital assets (e.g. land, buildings, water and sewer distribution lines, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Greene County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Greene County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Greene County's net assets \$7,719,128 (23.61%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$1,100,594 (3.37%) is unrestricted. In 2009, the amount of net assets invested in capital assets net of related debt was \$20,394,111, with restricted assets standing at \$4,557,418. The remaining \$4,921,233 was unrestricted net assets for that year.

Greene County's Net Assets
Figure 2

| | Governmental Activities | | Business-type Activities | | Totals | |
|-----------------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Current and other assets | \$12,101,458 | \$17,852,685 | \$11,093,270 | \$8,824,135 | \$23,194,728 | \$26,676,820 |
| Capital assets | 13,320,937 | 7,517,871 | 34,449,808 | 23,496,804 | 47,770,745 | 31,014,675 |
| Total assets | \$25,422,395 | \$25,370,556 | \$45,543,078 | \$32,320,939 | \$70,965,473 | \$57,691,495 |
| Long-term liabilities outstanding | \$12,703,695 | \$12,885,098 | \$19,641,500 | \$13,076,534 | \$32,345,195 | \$25,961,632 |
| Other liabilities | 1,509,846 | 749,691 | 4,421,752 | 1,107,410 | 5,931,598 | 1,857,101 |
| Total liabilities | \$14,213,541 | \$13,634,789 | \$24,063,252 | \$14,183,944 | \$38,276,793 | \$27,818,733 |
| Net assets: | | | | | | |
| Invested in capital | \$6,702,954 | \$6,774,171 | \$17,166,004 | \$13,619,940 | \$23,868,958 | \$20,394,111 |
| Restricted | 46,300 | 41,292 | 7,672,828 | 4,516,126 | 7,719,128 | 4,557,418 |
| Unrestricted | 4,459,600 | 4,920,304 | (3,359,006) | 929 | 1,100,594 | 4,921,233 |
| Total net assets | \$11,208,854 | \$11,735,767 | \$21,479,826 | \$18,136,995 | \$32,688,680 | \$29,872,762 |

Management's Discussion and Analysis (continued)
County of Greene

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

- Continued diligence in the collection of property taxes. The property tax collection rate increased slightly to 96.34% from 95.61%.
- Continued attention by the County's department heads and employees to contain and reduce spending where possible.
- The County continued construction of the new jail facility and continued construction of the Greenville Utilities Commission Waterline Project.

Greene County Changes in Net Assets
Figure 3

| | Governmental Activities | | Business-type Activities | | Total | |
|---|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for Services | \$1,590,368 | \$1,533,869 | \$2,816,955 | \$2,873,817 | \$4,407,323 | \$4,407,686 |
| Operating Grants and Contributions | 5,213,392 | 4,838,672 | 850,421 | 793,253 | 6,063,813 | 5,631,925 |
| Capital Grants and Contributions | 1,139,766 | 1,580,538 | 2,237,578 | 1,774,179 | 3,377,344 | 3,354,717 |
| General Revenues: | | | | | | |
| Property Taxes | 8,191,533 | 8,229,291 | | | 8,191,533 | 8,229,291 |
| Local Option Sales Tax | 2,117,348 | 3,007,140 | | | 2,117,348 | 3,007,140 |
| Other Taxes | 45,643 | 40,973 | | | 45,643 | 40,973 |
| Grants and Contributions not restricted | | | | | | |
| to Specific Programs | 26,915 | 84,345 | | | 26,915 | 84,345 |
| Investment Earnings | 33,445 | 60,561 | 16,807 | 123,394 | 50,252 | 183,955 |
| Other | 80,569 | 90,587 | | | 80,569 | 90,587 |
| Total revenues | \$18,438,979 | \$19,465,976 | \$5,921,761 | \$5,564,643 | \$24,360,740 | \$25,030,619 |
| Expenses: | | | | | | |
| General Government | \$2,313,797 | \$2,484,064 | | | \$2,313,797 | \$2,484,064 |
| Public Safety | 4,921,303 | 4,424,541 | | | 4,921,303 | 4,424,541 |
| Environmental Protection | 36,163 | 52,494 | | | 36,163 | 52,494 |
| Economic and Physical Development | 542,484 | 1,038,094 | | | 542,484 | 1,038,094 |
| Human Services | 6,714,846 | 6,569,528 | | | 6,714,846 | 6,569,528 |
| Cultural and Recreation | 508,537 | 482,081 | | | 508,537 | 482,081 |
| Education | 3,458,683 | 3,936,614 | | | 3,458,683 | 3,936,614 |
| Interest on Long-Term Debt | 58,978 | 91,949 | | | 58,978 | 91,949 |
| Utility | | | \$1,928,334 | \$1,866,448 | 1,928,334 | 1,866,448 |
| Landfill | | | 649,706 | 654,879 | 649,706 | 654,879 |
| Nonmajor Enterprise Activities | | | 411,991 | 386,657 | 411,991 | 386,657 |
| Total expenses | \$18,554,791 | \$19,079,365 | \$2,990,031 | \$2,907,984 | \$21,544,822 | \$21,987,349 |
| Increase (Decrease) in net assets before transfers and special items | (\$115,812) | \$386,611 | \$2,931,730 | \$2,656,659 | \$2,815,918 | \$3,043,270 |
| Transfers | (411,101) | (54,458) | 411,101 | 54,458 | | |
| Increase (Decrease) in net assets | (\$526,913) | \$332,153 | \$3,342,831 | \$2,711,117 | \$2,815,918 | \$3,043,270 |
| Net assets, July 1 | 11,735,767 | 11,403,614 | 18,136,995 | 15,425,878 | 29,872,762 | 26,829,492 |
| Net assets, June 30 | \$11,208,854 | \$11,735,767 | \$21,479,826 | \$18,136,995 | \$32,688,680 | \$29,872,762 |

Management's Discussion and Analysis (continued)
County of Greene

Governmental activities. Governmental activities decreased the County's net assets by \$526,913. This compares to an increase of \$332,153 in 2009, which represented 10.91% of the growth in the County's net assets. The key elements of this year's decrease are as follows:

- Sales Tax revenues were over budget by approximately \$280,000.
- A large number of County departments finished up the fiscal year well under the budgeted amount for each department.

Business-type activities. Business-type activities increased Greene County's net assets by \$3,342,831. Net assets increased by \$2,711,117 in 2009, representing 89.09% of the total growth in net assets for the year. The key elements of this increase are as follows:

- Cutter Creek Phase 1 project has been completed and the related assets capitalized.
- Increased fee revenue in the Transportation Department due to increased usage of service.
- The County received a number of loans and grants for the continued construction of the Greenville Utilities Commission Waterline Project.

Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Greene County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$1,243,236, while total fund balance reached \$5,986,511. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 7.59% of total General Fund expenditures, while total fund balance represents 36.57% of that same amount.

At June 30, 2010, the governmental funds of Greene County reported a combined fund balance of \$10,332,987, a 37.37% decrease from last year.

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; 3) increases in appropriations that become necessary to maintain services. Several amendments to the General Fund increase revenues by \$1,472,082 and are explained as follows:

- At the time of budget preparation, certain state grant amounts for Aging, Youth Programs, Transportation Programs, etc., were not available. Also, several grants were awarded to the County during the course of the year. These amendments amounted to approximately \$25,541.
- The County's budget was amended to provide \$33,000 for the annual Sweet Potato Festival.
- During the year \$223,727 was budgeted from fund balance for the purposes of higher than average costs associated with jail detention fees, jail medical fees, and foster care needs.

Management's Discussion and Analysis (continued)
County of Greene

- Federal and State Grant amounts were revised by the State during the fiscal year amounting to an increase of \$1,115,891. This included various grants related to the American Recovery and Reinvestment Act and 2009 (ARRA).
- The County's budget was amended to account for appropriations to fund additional County services and expenditures in the amount of approximately \$48,382.

Capital Asset and Debt Administration

Capital Assets. Greene County's capital assets for its government and business-type activities as of June 30, 2010, totals \$47,770,743 (net of accumulated depreciation). These assets include buildings, water and sewer distribution lines, land, equipment, and vehicles.

Major capital asset transactions during the year include:

- Purchased new vehicles for Sheriff's Department and mobile data terminals.
- The new County jail facility was near completion at June 30, 2010. The jail construction loan will be taken out by USDA in December 2010
- The first phase of the Greenville Utilities Commission Waterline Project with the Town of Farmville, 1A, was near completion and scheduled to go on line with water services in June 2011. Upon completion of all phases of this project, Greene County will be able to receive water transmission from Greenville Utilities Commission.

**Greene County's Capital Assets
(Net of Depreciation)**

Figure 4

| | Governmental Activities | | Business-type Activities | | Total | |
|----------------------------------|----------------------------|--------------------|-----------------------------|---------------------|---------------------|---------------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Land | \$623,626 | \$603,482 | \$328,202 | \$328,201 | \$951,828 | \$931,683 |
| Buildings and System | 4,575,636 | 4,386,690 | 17,179,823 | 17,495,143 | 21,755,459 | 21,881,833 |
| Machinery and Equipment | 204,648 | 840,877 | 126,034 | 160,990 | 330,682 | 1,001,867 |
| Vehicles and Motorized Equipment | 701,079 | 299,424 | 222,401 | 185,724 | 923,480 | 485,148 |
| Construction in Progress | 7,215,948 | 1,387,398 | 16,593,348 | 5,326,746 | 23,809,296 | 6,714,144 |
| | \$13,320,937 | \$7,517,871 | \$34,449,808 | \$23,496,804 | \$47,770,745 | \$31,014,675 |

Additional information on the County's capital assets can be found in note III.A.4 on page 38 of this audited financial report.

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Management's Discussion and Analysis (continued)
County of Greene

Long-term Debt. As of June 30, 2010, Greene County had \$0 in bonded debt outstanding.

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|--------------------|------------------|---------------------------|
| Governmental Activities: | | | | |
| Capitalized Lease | | | | |
| Notes Payable | \$189,522 | | \$10,304 | \$179,218 |
| Global Transpark Development Zone Loan | 718,404 | | 170,240 | 548,164 |
| Installment Purchase Contracts | 11,276,519 | | 263,994 | 11,012,525 |
| Total Governmental Activities | \$12,184,445 | \$0 | \$444,538 | \$11,739,907 |
| Business-type Activities: | | | | |
| Installment Purchase Contract | \$3,385,445 | | \$522,436 | \$2,863,009 |
| Bond Anticipation Notes | 6,202,000 | \$6,537,000 | | 12,739,000 |
| Clean Water Bond Loan | 2,411,253 | | 172,232 | 2,239,021 |
| DWSRF Revolving Loan | | 700,372 | | 700,372 |
| Total Business-type Activities | \$11,998,698 | \$7,237,372 | \$694,668 | \$18,541,402 |

Greene County's total debt increased by \$7,237,372 (29.93%) during the past fiscal year, primarily due to the \$6,537,000 Bond Anticipation Note, "(BAN)" proceeds issued to complete the next phase of the Greenville Utilities Commission Waterline system improvements. The temporary jail financing and the BAN proceeds are expected to be converted to USDA loans at the completion of the respective projects. The County also has debt retirement of \$1,139,206.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Greene County is \$79,413,767. The County has \$0 in bonds authorized but unissued at June 30, 2010.

Additional information regarding Greene County's long-term debt can be found in Note III.B.7 beginning on page 47 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicator reflects the current climate in Greene County.

- The County has experienced a significant increase in its employment rate. As of June 30, 2010, the County unemployment rate was 10.30% as compared with the State average of 10.10%.
- Construction continues on the joint project with the Town of Farmville that will allow both entities to purchase water from Greenville Utilities Commission as an alternative water supply to meet the requirements of the Central Coastal Plain Capacity Use rules. This pipeline will allow for the transfer of 5 million gallons per day to Farmville and Greene County. We anticipate being able to move water beginning May of 2010.

Budget Highlights for the Fiscal Year Ending June 30, 2010

Governmental Activities: The expenditures in the General Fund are budgeted to decrease approximately 8%.

- The County's tax rate remains at \$.756 per \$100 of assessed value and the collection rate remains strong.

Management's Discussion and Analysis (continued)
County of Greene

- The 2010 - 2011 State budget included an anticipated drop in State shared revenues, which were offset by a reduction in expenditures and a delay in some capital expenditures. The projected State budget also included a decrease shared revenues of beer and wine revenues due to these revenues being recaptured by the State to balance their budget.
- The County has secured a \$31,000 Edward Byrne Memorial Justice Assistance Grant for 2010 - 2011. The Byrne JAG is a federal grant that provides States and units of local government with funds to provide additional personnel, equipment, supplies, contractual support, training, technical assistance and information systems for criminal justice.
- The County plans to build an intermediate school for Greene County. To date, the Board of Education has secured an architect to begin the design. Funding has been secured and the project has been bid. Total estimated costs approximate \$14 million.

Business-type Activities: No rate increases were budgeted except for the alternative water charges in the Utility Fund.

The Public Works Department plans to upgrade its software as well as replace two vehicles. An increase in water rates was not budgeted. However, an increase in alternative water rates was budgeted.

The bids have been awarded for the next phase of the Alternative Water Project. This project will allow the County to receive water transmission from Greenville Utilities Commission.

Requests for Information

This report is designed to provide an overview of the 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 Officer, Greene County, 229 Kingold Blvd. Suite D, Snow Hill, NC 28580.

BASIC FINANCIAL STATEMENTS

GREENE COUNTY, NORTH CAROLINA
STATEMENT OF NET ASSETS
June 30, 2010

| <u>ASSETS</u> | <u>Primary Government</u> | | | <u>Component Unit</u> |
|--|--------------------------------|---------------------------------|---------------------|--------------------------------|
| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> | <u>Greene County ABC Board</u> |
| Assets: | | | | |
| Cash and Cash Equivalents | \$4,208,063 | \$799,447 | \$5,007,510 | \$159,885 |
| Cash with Fiscal Agent | 4,809,389 | | 4,809,389 | |
| Receivables (Net) | 755,112 | 389,553 | 1,144,665 | |
| Due From Other Governments | 1,464,946 | 2,477,889 | 3,942,835 | |
| Internal Balances | 246,447 | (246,447) | | |
| Inventories | | | | 109,112 |
| Prepaid Items | | | | 6,780 |
| Restricted Cash and Cash Equivalents | | 7,672,828 | 7,672,828 | |
| Notes Receivable: | | | | |
| Due within one year | 257,225 | | 257,225 | |
| Due in more than one year | 360,276 | | 360,276 | |
| Capital Assets: | | | | |
| Land, Improvements, and Construction in Progress | 7,839,574 | 16,921,548 | 24,761,122 | 12,055 |
| Other Capital Assets, Net of Depreciation | 5,481,363 | 17,528,260 | 23,009,623 | 16,586 |
| Total Capital Assets | <u>\$13,320,937</u> | <u>\$34,449,808</u> | <u>\$47,770,745</u> | <u>\$28,641</u> |
| Total Assets | <u>\$25,422,395</u> | <u>\$45,543,078</u> | <u>\$70,965,473</u> | <u>\$304,418</u> |
| LIABILITIES AND NET ASSETS | | | | |
| Liabilities: | | | | |
| Accounts Payable and Accrued Expenses | \$1,406,178 | \$4,091,019 | \$5,497,197 | \$58,232 |
| Unearned Revenue | 84,140 | | 84,140 | |
| Accrued Interest Payable | 19,528 | 221,022 | 240,550 | |
| Customer Deposits | | 109,712 | 109,712 | |
| Long-term Liabilities: | | | | |
| Due within one year | 10,844,503 | 13,524,067 | 24,368,570 | |
| Due in more than one year | 1,859,192 | 6,117,432 | 7,976,624 | |
| Total Liabilities | <u>\$14,213,541</u> | <u>\$24,063,252</u> | <u>\$38,276,793</u> | <u>\$58,232</u> |
| Net Assets: | | | | |
| Invested in Capital Assets, Net of Related Debt | \$6,702,954 | \$17,166,004 | \$23,868,958 | \$28,641 |
| Restricted For: | | | | |
| Register of Deeds | 46,300 | | 46,300 | |
| Alternative Water Supply | | 3,810,991 | 3,810,991 | |
| Capital Projects | | 3,861,837 | 3,861,837 | |
| Unrestricted | 4,459,600 | (3,359,006) | 1,100,594 | 217,545 |
| Total Net Assets | <u>\$11,208,854</u> | <u>\$21,479,826</u> | <u>\$32,688,680</u> | <u>\$246,186</u> |

The accompanying notes are an integral part of the financial statements.

GREENE COUNTY, NORTH CAROLINA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010

| Functions/Programs | Expenses | Program Revenues | | |
|---------------------------------------|---------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government: | | | | |
| Governmental Activities: | | | | |
| General Government | \$2,313,797 | \$93,824 | \$6,640 | |
| Public Safety | 4,921,303 | 1,412,288 | 320,062 | \$61,118 |
| Environmental Protection | 36,163 | | 4,000 | |
| Economic and Physical Development | 542,484 | | 37,996 | 517,314 |
| Human Services | 6,714,846 | | 4,834,502 | |
| Cultural and Recreation | 508,537 | 84,256 | 5,692 | |
| Education | 3,458,683 | | 4,500 | 561,334 |
| Interest on Long-Term Debt | 58,978 | | | |
| Total Governmental Activities | \$18,554,791 | \$1,590,368 | \$5,213,392 | \$1,139,766 |
| Business-type Activities: | | | | |
| Utility Fund (Water and Sewer) | \$1,928,334 | \$2,004,794 | \$850,421 | \$1,934,905 |
| Landfill Fund | 649,706 | 625,754 | | |
| Transportation Fund | 411,991 | 186,407 | | 302,673 |
| Total Business-type Activities | \$2,990,031 | \$2,816,955 | \$850,421 | \$2,237,578 |
| | \$21,544,822 | \$4,407,323 | \$6,063,813 | \$3,377,344 |
| Component Unit: | | | | |
| ABC Board | \$633,177 | \$637,419 | | |
| Total Component Unit | \$633,177 | \$637,419 | \$0 | \$0 |

General Revenues:

Taxes:

Property Taxes, Levied for General Purpose

Local Option Sales Taxes

Other Taxes and Licenses

Grants and Contributions Not Restricted to Specific Programs

Investment Earnings, Unrestricted

Miscellaneous, Unrestricted

Transfers

Total General Revenues, Special Items, and Transfers

Change in Net Assets

Net Assets, Beginning

NET ASSETS, ENDING

| Net (Expense) Revenue and Changes in Net Assets | | | Component Unit Greene County ABC Board |
|---|-----------------------------|-----------------------|--|
| Primary Government | | Total | |
| Governmental Activities | Business-type Activities | | |
| (\$2,213,333) | | (\$2,213,333) | |
| (3,127,835) | | (3,127,835) | |
| (32,163) | | (32,163) | |
| 12,826 | | 12,826 | |
| (1,880,344) | | (1,880,344) | |
| (418,589) | | (418,589) | |
| (2,892,849) | | (2,892,849) | |
| (58,978) | | (58,978) | |
| (\$10,611,265) | \$0 | (\$10,611,265) | |
| | \$2,861,786 | \$2,861,786 | |
| | (23,952) | (23,952) | |
| | 77,089 | 77,089 | |
| \$0 | \$2,914,923 | \$2,914,923 | |
| (\$10,611,265) | \$2,914,923 | (\$7,696,342) | |
| | | | \$4,242 |
| \$8,191,533 | | \$8,191,533 | |
| 2,117,348 | | 2,117,348 | |
| 45,643 | | 45,643 | |
| 26,915 | | 26,915 | |
| 33,445 | \$16,807 | 50,252 | \$1,418 |
| 80,569 | | 80,569 | 39 |
| (411,101) | 411,101 | | |
| \$10,084,352 | \$427,908 | \$10,512,260 | \$1,457 |
| (\$526,913) | \$3,342,831 | \$2,815,918 | \$5,699 |
| 11,735,767 | 18,136,995 | 29,872,762 | 240,487 |
| \$11,208,854 | \$21,479,826 | \$32,688,680 | \$246,186 |

The accompanying notes are an integral part of the financial statements.

GREENE COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2010

| | Major | | Non-Major | Total Governmental Funds |
|--|--------------------|---|--------------------------------|--------------------------------|
| | General | Jail Construction Capital Project Fund | Other Governmental Funds | |
| ASSETS: | | | | |
| Cash and Cash Equivalents | \$2,054,864 | \$354,214 | \$1,798,986 | \$4,208,064 |
| Cash with Fiscal Agent | | 4,809,388 | | 4,809,388 |
| Receivables, Net | 594,036 | | 61,610 | 655,646 |
| Due From Other Governments | 1,270,505 | 72,271 | 122,170 | 1,464,946 |
| Due From Other Funds | 2,291,059 | | 5,012 | 2,296,071 |
| Current Portion - Notes Receivable | 257,225 | | | 257,225 |
| Notes Receivable | 360,276 | | | 360,276 |
| TOTAL ASSETS | \$6,827,965 | \$5,235,873 | \$1,987,778 | \$14,051,616 |
| LIABILITIES AND FUND BALANCES | | | | |
| <i>Liabilities:</i> | | | | |
| Accounts Payable and Accrued Liabilities | \$333,097 | \$766,804 | \$103,550 | \$1,203,451 |
| Due to Other Funds | 14,445 | 1,175,692 | 790,749 | 1,980,886 |
| Unearned Revenue | 84,140 | | | 84,140 |
| Deferred Revenue | 409,772 | | 40,380 | 450,152 |
| Total Liabilities | \$841,454 | \$1,942,496 | \$934,679 | \$3,718,629 |
| <i>Fund Balances:</i> | | | | |
| Reserved for: | | | | |
| State Statute | \$4,294,591 | | \$22,165 | \$4,316,756 |
| Register of Deeds | 46,300 | | | 46,300 |
| Health Department | 252,834 | | | 252,834 |
| Sheriff Department | 29,550 | | | 29,550 |
| Capital Outlay | 120,000 | \$3,293,377 | | 3,413,377 |
| Unreserved, Available for Appropriation: | | | | |
| Undesignated | 1,243,236 | | | 1,243,236 |
| Unreserved, Reported In Nonmajor: | | | | |
| Special Revenue Funds | | | 1,006,866 | 1,006,866 |
| Capital Project Funds | | | 24,068 | 24,068 |
| Total Fund Balances | \$5,986,511 | \$3,293,377 | \$1,053,099 | \$10,332,987 |
| TOTAL LIABILITIES AND FUND BALANCES | \$6,827,965 | \$5,235,873 | \$1,987,778 | |

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

| | |
|--|---------------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 13,320,937 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. | 88,010 |
| Internal Service Funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets. | (219,629) |
| Liabilities for earned but deferred revenues in fund statements. | 409,772 |
| Some liabilities, including notes payable, pension obligation and other postemployment benefits, are not due and payable in the current period and therefore are not reported in the funds (Not | (12,723,223) |
| Net Assets of Governmental Activities | \$11,208,854 |

The accompanying notes are an integral part of the financial statements.

GREENE COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For The Fiscal Year Ended June 30, 2010

| | Major | | Non-major | Total Governmental Funds |
|--|---------------------|--------------------------------------|--------------------------------|--------------------------------|
| | General | Jail Construction Project Fund | Other Governmental Funds | |
| REVENUES: | | | | |
| Ad Valorem Taxes | \$7,743,986 | | \$574,032 | \$8,318,018 |
| Local Option Sales Taxes | 2,117,348 | | | 2,117,348 |
| Other Taxes and Licenses | 45,643 | | | 45,643 |
| Unrestricted Intergovernmental | 26,915 | | | 26,915 |
| Restricted Intergovernmental | 5,122,661 | | 1,297,040 | 6,419,701 |
| Permits and Fees | 243,756 | | | 243,756 |
| Sales and Services | 1,225,410 | | | 1,225,410 |
| Investment Earnings | 4,779 | \$27,167 | 1,499 | 33,445 |
| Miscellaneous | 100,117 | | 47,777 | 147,894 |
| Total Revenues | \$16,630,615 | \$27,167 | \$1,920,348 | \$18,578,130 |
| EXPENDITURES: | | | | |
| <i>Current:</i> | | | | |
| General Government | \$2,092,215 | | | \$2,092,215 |
| Public Safety | 3,827,328 | \$5,927,266 | \$703,671 | 10,458,265 |
| Environmental Protection | 36,163 | | | 36,163 |
| Economic and Physical Development | 274,873 | | 494,126 | 768,999 |
| Human Services | 6,531,733 | | | 6,531,733 |
| Cultural and Recreational | 447,263 | | | 447,263 |
| <i>Intergovernmental:</i> | | | | |
| Education | 2,896,783 | | | 2,896,783 |
| Capital Outlay | | | 597,356 | 597,356 |
| <i>Debt Service:</i> | | | | |
| Principal | 222,574 | | 221,964 | 444,538 |
| Interest | 40,567 | | 19,368 | 59,935 |
| Total Expenditures | \$16,369,499 | \$5,927,266 | \$2,036,485 | \$24,333,250 |
| Excess (Deficiency) of Revenues Over Expenditures | \$261,116 | (\$5,900,099) | (\$116,137) | (\$5,755,120) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers from Other Funds | | | \$300,160 | \$300,160 |
| Transfers to Other Funds | (\$711,261) | | | (711,261) |
| Total Other Financing Sources (Uses) | (\$711,261) | \$0 | \$300,160 | (\$411,101) |
| Net Change in Fund Balance | (\$450,145) | (\$5,900,099) | \$184,023 | (\$6,166,221) |
| <i>Fund Balances, Beginning</i> | 6,436,656 | 9,193,476 | 869,076 | 16,499,208 |
| FUND BALANCES, ENDING | \$5,986,511 | \$3,293,377 | \$1,053,099 | \$10,332,987 |

The accompanying notes are an integral part of the financial statements.

GREENE COUNTY, NORTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Fiscal Year Ended June 30, 2010

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

| | | |
|--|------------------|---------------------------|
| Net changes in fund balances - total governmental funds | | (\$6,166,221) |
| <p>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 outlay exceeded depreciation in the current period.</p> | | |
| Capital outlay expenditures which are capitalized | \$6,242,296 | |
| Depreciation expense for governmental assets | <u>(426,569)</u> | 5,815,727 |
| <p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p> | | |
| Change in deferred revenues for taxes and interest | | (126,488) |
| <p>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.</p> | | |
| Principal payments on long term debt | \$444,538 | |
| Increase in accrued interest payable | <u>957</u> | 445,495 |
| Net Book Value of Assets Sold | | (12,663) |
| <p>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.</p> | | |
| Compensated absences | (\$22,640) | |
| Net pension obligation | (14,230) | |
| Other postemployment benefits | (226,264) | |
| Net loss of internal service fund determined to be governmental-type | <u>(219,629)</u> | (482,763) |
| Total Changes in Net Assets of Governmental Activities | | <u>(\$526,913)</u> |

The accompanying notes are an integral part of the financial statements.

GREENE COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2010

| | Original Budget | Final Budget | Actual | Variance with Final Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| Revenues: | | | | |
| Ad Valorem Taxes | \$7,625,739 | \$7,638,739 | \$7,743,986 | \$105,247 |
| Local Option Sales Taxes | 2,564,564 | 2,564,564 | 2,117,348 | (447,216) |
| Other Taxes and Licenses | 41,500 | 41,500 | 45,643 | 4,143 |
| Unrestricted Intergovernmental | 80,000 | 80,000 | 26,915 | (53,085) |
| Restricted Intergovernmental | 4,748,076 | 5,844,490 | 5,122,661 | (721,829) |
| Permits and Fees | 343,500 | 347,000 | 243,756 | (103,244) |
| Sales and Services | 1,300,086 | 1,351,019 | 1,225,410 | (125,609) |
| Investment Earnings | 43,000 | 43,300 | 4,779 | (38,521) |
| Miscellaneous | 31,203 | 70,800 | 100,117 | 29,317 |
| Total Revenues | \$16,777,668 | \$17,981,412 | \$16,630,615 | (\$1,350,797) |
| Expenditures: | | | | |
| <i>Current:</i> | | | | |
| General Government | \$2,197,028 | \$2,186,705 | \$2,092,215 | \$94,490 |
| Public Safety | 3,620,083 | 3,900,152 | 3,827,328 | 72,824 |
| Environmental Protection | 57,401 | 57,401 | 36,163 | 21,238 |
| Economic and Physical Development | 292,813 | 291,146 | 274,873 | 16,273 |
| Human Services | 6,273,755 | 7,394,571 | 6,531,733 | 862,838 |
| Cultural and Recreational | 404,264 | 435,779 | 447,263 | (11,484) |
| <i>Intergovernmental:</i> | | | | |
| Education | 3,003,841 | 3,003,841 | 2,896,783 | 107,058 |
| <i>Debt Service:</i> | | | | |
| Principal Retirement | 200,758 | 222,693 | 222,574 | 119 |
| Interest | 38,292 | 40,659 | 40,567 | 92 |
| Total Expenditures | \$16,088,235 | \$17,532,947 | \$16,369,499 | \$1,163,448 |
| Revenues Over (Under) Expenditures | \$689,433 | \$448,465 | \$261,116 | (\$187,349) |
| Other Financing Sources (Uses): | | | | |
| Transfers From Other Funds | | | | |
| Transfers To Other Funds | (\$694,433) | (\$702,733) | (\$711,261) | (\$8,528) |
| Sale of Fixed Assets | 5,000 | 5,000 | | (5,000) |
| Appropriated Fund Balance | | 249,268 | | (249,268) |
| Total Other Financing Sources (Uses) | (\$689,433) | (\$448,465) | (\$711,261) | (\$262,796) |
| Revenues and Other Sources Over (Under) Expenditures and Other Uses | \$0 | \$0 | (\$450,145) | (\$450,145) |
| Fund Balances: | | | | |
| <i>Beginning of Year, July 1</i> | | | 6,436,656 | |
| End of Year, June 30 | | | \$5,986,511 | |

The accompanying notes are an integral part of the financial statements.

GREENE COUNTY, NORTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2010

| | Enterprise Funds | | | Totals | Internal Service Fund |
|--|-----------------------|------------------------|----------------------------------|---------------------|--------------------------|
| | Major Fund Utility | Major Fund Landfill | Non-major Fund Transportation | | |
| ASSETS | | | | | |
| <i>Current Assets:</i> | | | | | |
| Cash and Cash Equivalents | \$696,926 | \$48,846 | \$53,675 | \$799,447 | |
| Receivables, Net | 350,213 | 39,340 | | 389,553 | \$11,456 |
| Due From Other Governments | 2,288,972 | 15,151 | 173,766 | 2,477,889 | |
| Due From Other Funds | 149,526 | 9,433 | | 158,959 | |
| Total Current Assets | \$3,485,637 | \$112,770 | \$227,441 | \$3,825,848 | \$11,456 |
| <i>Noncurrent Assets:</i> | | | | | |
| Restricted Cash and Cash Equivalents | \$7,672,828 | | | \$7,672,828 | |
| <i>Capital Assets:</i> | | | | | |
| Land, Improvements, and Construction in Progress | 16,763,114 | \$158,434 | | 16,921,548 | |
| Other Capital Assets, Net of Depreciation | 17,113,463 | 170,620 | \$244,177 | 17,528,260 | |
| Total Capital Assets | \$33,876,577 | \$329,054 | \$244,177 | \$34,449,808 | \$0 |
| Total Noncurrent Assets | \$41,549,405 | \$329,054 | \$244,177 | \$42,122,636 | \$0 |
| TOTAL ASSETS | \$45,035,042 | \$441,824 | \$471,618 | \$45,948,484 | \$11,456 |
| LIABILITIES AND NET ASSETS | | | | | |
| <i>Liabilities:</i> | | | | | |
| <i>Current Liabilities:</i> | | | | | |
| Accounts Payable and Accrued Liabilities | \$3,981,920 | \$29,858 | \$79,241 | \$4,091,019 | \$162,347 |
| Due to Other Funds | 255,880 | 90,767 | 58,759 | 405,406 | 68,738 |
| Accrued Interest Payable | 221,022 | | | 221,022 | |
| Customer Deposits | 109,712 | | | 109,712 | |
| Installment Purchase Contract Payable | 13,351,835 | | | 13,351,835 | |
| Clean Water Bond Loan Payable | 172,232 | | | 172,232 | |
| Total Current Liabilities | \$18,092,601 | \$120,625 | \$138,000 | \$18,351,226 | \$231,085 |
| <i>Noncurrent Liabilities:</i> | | | | | |
| Landfill Closure and Postclosure Care Costs | | \$996,343 | | \$996,343 | |
| Compensated Absences | \$29,917 | 15,584 | \$21,255 | 66,756 | |
| Other Postemployment Benefits | 23,921 | 9,247 | 3,831 | 36,999 | |
| Installment Purchase Contract Payable | 2,950,545 | | | 2,950,545 | |
| Clean Water Bond Loan Payable | 2,066,789 | | | 2,066,789 | |
| Total Noncurrent Liabilities | \$5,071,172 | \$1,021,174 | \$25,086 | \$6,117,432 | \$0 |
| TOTAL LIABILITIES | \$23,163,773 | \$1,141,799 | \$163,086 | \$24,468,658 | \$231,085 |
| <i>Net Assets:</i> | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$16,592,774 | \$329,054 | \$244,176 | \$17,166,004 | |
| Restricted for Alternative Water Supply | 3,810,991 | | | 3,810,991 | |
| Restricted for Capital Projects | 3,861,837 | | | 3,861,837 | |
| Unrestricted | (2,394,333) | (1,029,029) | 64,356 | (3,359,006) | (\$219,629) |
| Total Net Assets | \$21,871,269 | (\$699,975) | \$308,532 | \$21,479,826 | (\$219,629) |

The accompanying notes are an integral part of the financial statements.

GREENE COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2010

| | Enterprise Funds | | | Totals | Internal Service Fund |
|---|-----------------------|------------------------|----------------------------------|---------------------|--------------------------|
| | Major Fund Utility | Major Fund Landfill | Non-major Fund Transportation | | |
| OPERATING REVENUES: | | | | | |
| Water and Sewer Sales | \$1,908,778 | | | \$1,908,778 | |
| Water and Sewer Tap Fees and Service Charges | 66,486 | | | 66,486 | |
| Landfill Fees | | \$625,753 | | 625,753 | |
| County Contributions | | | | | \$1,142,881 |
| Other Operating Revenues | 29,530 | | \$186,408 | 215,938 | |
| Total Operating Revenues | \$2,004,794 | \$625,753 | \$186,408 | \$2,816,955 | \$1,142,881 |
| OPERATING EXPENSES | | | | | |
| Salaries and Employee Benefits | \$458,678 | \$182,528 | \$251,172 | \$892,378 | |
| Supplies and Fuel | 124,730 | 26,237 | 56,336 | 207,303 | |
| Maintenance | 97,410 | 33,942 | 25,434 | 156,786 | |
| Contracted Services | 59,724 | 162,711 | 7,259 | 229,694 | |
| Professional Services | 53,231 | 37,515 | | 90,746 | |
| Water Purchased | 1,527 | | | 1,527 | |
| Management Fee - County | 25,000 | | | 25,000 | |
| Utilities | 146,408 | 17,390 | 2,022 | 165,820 | |
| Sewer Charges - Town of Farmville | 156,062 | | | 156,062 | |
| Office Expense | 60,227 | | 12,618 | 72,845 | |
| Insurance | 16,500 | 8,000 | | 24,500 | |
| Telephone and Postage | | 3,391 | 2,559 | 5,950 | |
| Miscellaneous | 527 | 3,460 | 7,732 | 11,719 | |
| Disposal Fees | | 129,551 | | 129,551 | |
| Capital Outlay (Under Threshold) | 2,131 | | | 2,131 | |
| Medical Claims | | | | | \$1,362,510 |
| Depreciation | 482,026 | 44,981 | 46,859 | 573,866 | |
| Total Operating Expense | \$1,684,181 | \$649,706 | \$411,991 | \$2,745,878 | \$1,362,510 |
| Operating Income (Loss) | \$320,613 | (\$23,953) | (\$225,583) | \$71,077 | (\$219,629) |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Interest and Investment Revenue | \$16,634 | \$67 | \$106 | \$16,807 | |
| Alternative Water Supply Fees - County | 526,971 | | | 526,971 | |
| Alternative Water Supply Fees - Towns & Districts | 323,450 | | | 323,450 | |
| Interest on Long-Term Debt | (244,153) | | | (244,153) | |
| Total Nonoperating Revenue (Expenses) | \$622,902 | \$67 | \$106 | \$623,075 | \$0 |
| Income (Loss) Before Contributions and Transfers | \$943,515 | (\$23,886) | (\$225,477) | \$694,152 | (\$219,629) |
| Transfers (To) From Other Funds | 381,453 | 29,648 | | 411,101 | |
| Capital Contributions | 1,934,905 | | 302,673 | 2,237,578 | |
| Change in Net Assets | \$3,259,873 | \$5,762 | \$77,196 | \$3,342,831 | (\$219,629) |
| Total Net Assets, Beginning | 18,611,396 | (705,737) | 231,336 | 18,136,995 | |
| Total Net Assets, Ending | \$21,871,269 | (\$699,975) | \$308,532 | \$21,479,826 | (\$219,629) |

The accompanying notes are an integral part of the financial statements.

GREENE COUNTY, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2010

| | Enterprise Funds | | | Totals | Internal Service Fund |
|--|-----------------------|------------------------|----------------------------------|----------------------|--------------------------|
| | Major Fund Utility | Major Fund Landfill | Non-major Fund Transportation | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Cash Received From Customers | \$1,947,385 | \$628,570 | \$299,263 | \$2,875,218 | \$1,131,425 |
| Cash Paid for Goods and Services | (764,489) | (394,739) | (265,699) | (1,424,927) | (1,200,163) |
| Cash Paid to Employees for Services | (444,417) | (183,158) | (249,804) | (877,379) | |
| Customer Deposits Received | 20,700 | | | 20,700 | |
| Customer Deposits Returned | (4,768) | | | (4,768) | |
| Other Operating Revenues | 29,530 | | | 29,530 | |
| Net Cash Provided (Used) by Operating Activities | \$783,941 | \$50,673 | (\$216,240) | \$618,374 | (\$68,738) |
| CASH FLOWS PROVIDED BY NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Increase in (Repayment of) Due to Other Funds | | (\$3,235) | | (\$3,235) | \$68,738 |
| Alternative Water Supply Fees | \$539,017 | | | 539,017 | |
| Transfers (To) From Other Funds | 381,453 | 29,648 | | 411,101 | |
| Net Cash Provided by Noncapital Financing Activities | \$920,470 | \$26,413 | \$0 | \$946,883 | \$68,738 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Acquisition and Construction of Capital Assets | (\$8,361,386) | (\$29,648) | (\$73,096) | (\$8,464,130) | |
| Temporary Financing Issued | 7,237,372 | | | 7,237,372 | |
| Interest Paid On Indebtedness | (246,868) | | | (246,868) | |
| Principal Paid On Indebtedness | (694,668) | | | (694,668) | |
| Capital Contributions-State and Federal Grants | 384,201 | | 302,673 | 686,874 | |
| Net Cash Provided by (Used by) Capital and Related Financing Activities | (\$1,681,349) | (\$29,648) | \$229,577 | (\$1,481,420) | \$0 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest on Investments | \$16,634 | \$67 | \$106 | \$16,807 | \$0 |
| Net Increase (Decrease) in Cash and Cash Equivalents | \$39,696 | \$47,505 | \$13,443 | \$100,644 | \$0 |
| Cash and Cash Equivalents, July 1 | 8,330,058 | 1,341 | 40,232 | 8,371,631 | |
| Cash and Cash Equivalents, June 30 | \$8,369,754 | \$48,846 | \$53,675 | \$8,472,275 | \$0 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION: | | | | | |
| Cash consists of the following: | | | | | |
| Unrestricted Cash and Cash Equivalents | \$696,926 | \$48,846 | \$53,675 | \$799,447 | |
| Restricted Cash and Cash Equivalents - Alternative Water Supply | 3,810,991 | | | 3,810,991 | |
| Restricted Cash and Cash Equivalents - GUC Waterline Phase 1A | 1,257,598 | | | 1,257,598 | |
| Restricted Cash and Cash Equivalents - GUC Waterline Phase 1C | 2,604,239 | | | 2,604,239 | |
| Cash and Cash Equivalents, June 30 | \$8,369,754 | \$48,846 | \$53,675 | \$8,472,275 | \$0 |

The accompanying notes are an integral part of the financial statements.

GREENE COUNTY, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2010

| | Enterprise Funds | | | Totals | Internal Service Fund |
|---|-----------------------|------------------------|----------------------------------|------------------|--------------------------|
| | Major Fund Utility | Major Fund Landfill | Non-major Fund Transportation | | |
| <i>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</i> | | | | | |
| Operating Income (Loss) | \$320,613 | (\$23,952) | (\$225,584) | \$71,077 | (\$219,629) |
| <i>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:</i> | | | | | |
| Depreciation | \$482,026 | \$44,981 | \$46,859 | \$573,866 | |
| <i>Changes in Assets and Liabilities:</i> | | | | | |
| Decrease (Increase) in Accounts Receivable | (26,755) | 6,175 | | (20,580) | (\$11,456) |
| Decrease (Increase) in Due From Other Governments | 12,046 | (3,359) | (112,856) | (104,169) | 162,347 |
| Increase (Decrease) in Accounts Payable and Accrued Liabilities | (34,182) | 21,807 | 72,361 | 59,986 | |
| Increase (Decrease) in Customer Deposits | 15,932 | | | 15,932 | |
| Increase (Decrease) in Compensated Absences Payable | 3,556 | 631 | 1,368 | 5,555 | |
| Increase (Decrease) in Other Postemployment Benefits | 10,705 | 4,390 | 1,612 | 16,707 | |
| Total Adjustments | \$463,328 | \$74,625 | \$9,344 | \$547,297 | \$150,891 |
| Net Cash Provided by (Used by) Operating Activities | \$783,941 | \$50,673 | (\$216,240) | \$618,374 | (\$68,738) |

GREENE COUNTY, NORTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended June 30, 2010

| | Agency Funds |
|---|-----------------------------|
| <u>Assets</u> | |
| Cash and Cash Equivalents | \$116,151 |
| Due From Other Governments | 13,332 |
| | <u>\$129,483</u> |
| <u>Liabilities and Net Assets</u> | |
| <i>Liabilities:</i> | |
| Intergovernmental Payable | <u>\$129,483</u> |
| Total Liabilities | <u>\$129,483</u> |
| <i>Net Assets:</i> | |
| Assets Held in Trust for Pension Benefits | <u> </u> |

The accompanying notes are an integral part of the financial statements.

**GREENE COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS INDEX**

NOTE

| | | |
|------|--|---------|
| I | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES..... | 24 |
| II | STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY..... | 33 |
| III | DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS | 34 |
| IV | RELATED ORGANIZATIONS..... | 55 |
| V | JOINT VENTURES..... | 55 |
| VI | JOINTLY GOVERNED ORGANIZATIONS | 56 |
| VII | BENEFIT PAYMENTS ISSUED BY THE STATE | 57 |
| VIII | SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES..... | 57 |
| IX | MAJOR ENTERPRISE CUSTOMER..... | 57 |
| X | CUTTER CREEK..... | 57 – 58 |

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Greene County and its 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 five-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. Greene County Water & Sewer District I (*the District*) exists to provide and maintain sewer service for the school system and County residents within the district. The District has been combined with the Utility Fund in the County's financial statements. Effective the 2006 - 2007 fiscal year, the County changed the name of its Regional Water Fund to the Greene County Utility Fund and has begun offering both water and sewer services in the specific District area. The Greene 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 has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The Greene County ABC Board (*the Board*), which has a June 30 year-end, is presented as if it is a separate proprietary fund of the County (discrete presentation). The blended presentation method presents component units as a department or unit of the County, and offers no separate presentation as with the discrete method.

| Component Unit | Reporting Method | Criteria for Inclusion | Separate Financial Statements |
|---|-------------------------|--|--|
| Greene County Water & Sewer District I | Blended | Under State law [NCGS 162A-89], the County's board of commissioners also serve as the governing board for the District. | None issued |
| Greene County Industrial Facility and Pollution Control Financing Authority | Discrete | The Authority is governed by a seven-member board of commissioners that is appointed by the county commissioners. The County can remove any commissioner of the Authority with or without cause. | None issued |
| Greene County ABC Board | Discrete | 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. | Greene County ABC Board 217 SE Second St Snow Hill, NC 28580 |

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

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.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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

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

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

The County reports the following major governmental funds:

General Fund – This 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.

Jail Construction Capital Project Fund – This fund is used to account for the construction of a new County jail.

The County reports the following major enterprise funds:

Utility Fund – This fund is used to account for the operations of the water and sewer system within the County.

Landfill Fund – This fund is used to account for the operation of the County's solid waste landfill, Scrap Tire Disposal and White Goods Disposal.

The County reports the following fund types:

Internal Service Fund – The ASO-Self Funded Medical Insurance Fund is used to account for moneys collected from employer and employees and to account for said employees, their spouses and dependents.

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 three Agency Funds: the Municipal Tax Fund, which accounts for motor vehicle property taxes that are billed and collected by the County for the various municipalities within the County; the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; and the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to Greene County Board of Education and 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.

Measurement Focus, 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.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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

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

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

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

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on 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 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a 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, Greene 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 those motor vehicles registered under the staggered system and for vehicles newly registered under the annual system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2009 through February 2010 apply to the fiscal year ended June 30, 2010. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

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

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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.

C. 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, the Fire Districts Funds, Property Revaluation Fund, Emergency Telephone System Fund, Special Revenue Funds, the School Capital Finance Capital Project Fund, and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the 2006 CDBG Special Revenue Fund, the 2009 CDBG Special Revenue Fund, the 2008 Single Family Rehab Special Revenue Fund, the Jail Construction Project Fund, and the Enterprise Capital Projects Funds, which are consolidated with the enterprise operating funds for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000. The governing board must approve all amendments. During the year, several amendments to the original budget were necessary. In the General Fund, revenues and expenditures were increased by \$1,505,082 due to budget amendments. In the Special Revenue Funds, revenues and expenditures were increased \$74,000 due to budget amendments. In the Enterprise Funds, revenues and expenditures were increased \$411,601. 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.

D. ASSETS, LIABILITIES, AND FUND EQUITY

1. Deposits and Investments

All deposits of the County and Greene County ABC Board are made in board-designated official depositories and are secured as required by G.S. 159-31. The County and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County and the ABC Board 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 and the ABC Board 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 and the ABC Board's investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

3. Cash and Cash Equivalents

The County pools moneys 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. Greene County ABC Board considers 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.

4. Restricted Assets

The unexpended General Assembly appropriations in the GUC Waterline project, are classified as restricted assets in the enterprise funds because their use is completely restricted to the purpose for which the funds were borrowed or received.

5. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2010. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

6. Allowances 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.

7. Inventories and Prepaid Items

The inventory of the ABC Board is valued at cost (first-in, first-out), which approximates market. This inventory consists of items held for resale. The cost of the inventory in the ABC Board is recorded as an expense as it is 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.

8. 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, \$1; Buildings, improvements, substations, lines and other plant and distribution systems, \$5,000; infrastructure, \$5,000; furniture and equipment, \$5,000; vehicles, \$5,000; and Computer Equipment and Software, \$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.

The County holds title to certain Greene County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Greene County Board of Education.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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

| | <u>Years</u> |
|----------------------------------|--------------|
| Buildings | 50 |
| Distribution Systems | 50 |
| Improvements | 25 |
| Furniture and Equipment | 10 |
| Vehicles and Motorized Equipment | 5 |
| Computer Equipment and Software | 5 |

Capital assets of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

| | <u>Years</u> |
|-------------------------|--------------|
| Buildings | 30-40 |
| Furniture and Equipment | 10 |

9. Long-Term Obligations

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

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

10. Compensated Absences

The vacation policies of the County 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, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. For the ABC Board, the amount is not deemed to be material.

The sick leave policies of the County 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 nor the ABC Board has any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County or its component unit.

11. 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 or b) imposed by law through state statute.

Fund Balances

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

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

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

The governmental fund types classify fund balances as follows:

Reserved:

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

Reserved for Register of Deeds – portion of fund balance constituting the Automation Enhancement and Preservation Fund, funded by 10% of the fees collected and maintained by the register of deeds' office. The funds are available for appropriation but are legally restricted for computer and imaging technology in the register of deeds office.

Reserved for Health Department – portion of fund balance available for appropriation but which is restricted to expenditures for certain health programs.

Reserved for Sheriff Department – portion of fund balance not available for appropriation that is restricted by federal statute for law enforcement expenditures.

Reserved for Capital Outlay – portion of fund balance not available for appropriation that is restricted to capital expenditures in future periods.

Restricted for Alternative Water Supply (Proprietary/Business-Type Activities) – portion of Utility fund net assets restricted by an inter-local agreement between the County and all towns and water districts within the County for funds collected monthly on a per water meter basis to provide for future alternative water supply for the County.

Unreserved:

Designated for Subsequent Year's Expenditures – portion of total fund balance available for appropriation that has been designated for the adopted 2010 - 2011 budget ordinance.

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

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GREENE COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2010

E. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. The net adjustment of \$875,867 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) | \$18,593,361 |
| Less Accumulated Depreciation | 5,272,424 |
| Net Capital Assets | \$13,320,937 |
| 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 | 88,010 |
| Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide | |
| Taxes | 409,772 |
| Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements: | |
| Loans, notes, and installment financing | (11,739,908) |
| Compensated absences | (401,056) |
| Net pension obligation for law enforcement officers' special separation allowance | (116,082) |
| Net other postemployment benefits | (446,649) |
| Accrued interest payable | (19,528) |
| Net loss of internal service fund determined to be governmental-type | (219,629) |
| Total Adjustment | \$875,867 |

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GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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 governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$5,639,308 as follows:

| <u>Description</u> | <u>Amount</u> |
|--|--------------------|
| Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities | \$6,242,296 |
| 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 | (426,569) |
| 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 | 444,538 |
| 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. Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual) | 957 |
| Net book value of assets sold | (12,663) |
| Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources | (22,640) |
| Net pension obligation is accrued in the government-wide statements but not the fund statements because it does not use current resources | (14,230) |
| Net other postemployment benefits obligation is accrued in the government-wide statements but not the fund statements because it does not use current resources | (226,264) |
| Net loss of internal service fund determined to be governmental- type | (219,629) |
| 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 7/01/09 | (499,108) |
| Recording of tax receipts deferred in the fund statements as of 6/30/10 | 409,772 |
| Decrease in accrued interest on taxes receivable for year ended 6/30/10 | (37,152) |
| Total Adjustment | \$5,639,308 |

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. SIGNIFICANT VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

Noncompliance with North Carolina General Statutes

The County failed to adopt a financial plan for the ASO-Self Funded Medical Insurance Fund. G.S. 159-13.1 states that, at the same time it adopts the budget ordinance, the governing body shall approve a balanced financial plan. The County was unaware of this requirement but will establish a balanced financial plan going forward.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

B. DEFICIT FUND BALANCE OR NET ASSETS OF INDIVIDUAL FUNDS

1. The Enterprise Fund net assets consist of the following individual fund net asset balances:

| | |
|---------------------|---------------------|
| Utility Fund | \$21,871,269 |
| Landfill Fund | (699,975) * |
| Transportation Fund | 308,532 |
| | <u>\$21,479,826</u> |

* Effective July 1, 2009, reduced the number of hours of service, thereby reducing the attendants' contracts. It was anticipated that this change should allow the Landfill Fund to at least begin to break even.

C. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the fiscal year ended June 30, 2010, the County's expenditures have exceeded amounts budgeted in the following funds and departments:

| | <u>Final Budget</u> | <u>Actual</u> | <u>Over Budget</u> |
|---|-------------------------|---------------|------------------------|
| <u>General Fund</u> | | | |
| General Government | | | |
| Governing Body | \$311,156 | \$313,734 | (\$2,578) |
| Public Safety | | | |
| County Jail | \$675,448 | \$685,174 | (\$9,726) |
| Human Services | | | |
| Youth Services | \$81,833 | \$82,221 | (\$388) |
| Culture and Recreation | | | |
| Recreation | \$271,779 | \$275,168 | (\$3,389) |
| Sweet Potato Festival | \$33,000 | \$41,095 | (\$8,095) |
| <u>Jail Construction Project Fund</u> | | | |
| Administration & Legal | \$19,003 | \$47,367 | (\$28,364) |
| Inspection | \$0 | \$65,377 | (\$65,377) |
| Capital Outlay | \$0 | \$20,144 | (\$20,144) |
| <u>2006 Community Development Block Grant Project Fund</u> | | | |
| Rehabilitation | \$220,000 | \$220,032 | (\$32) |
| Relocation | \$140,000 | \$197,795 | (\$57,795) |
| <u>Yamco Expansion Project Fund</u> | | | |
| Building & Retrofitting | \$289,796 | \$326,364 | (\$36,568) |
| <u>Recreation Park Project Fund</u> | | | |
| Bleachers, Picnic Shelter, Goals & Benches | \$31,299 | \$32,199 | (\$900) |
| Engineering CN1 | \$105,052 | \$111,964 | (\$6,912) |
| <u>American Prawn Cooperative Project Fund</u> | | | |
| Engineer Drawings | \$5,000 | \$19,625 | (\$14,625) |
| Capital Outlay | \$117,704 | \$281,703 | (\$163,999) |
| <u>Cutter Creek Sewer Construction Project Fund</u> | | | |
| Inspection | \$88,407 | \$112,689 | (\$24,282) |
| <u>Alternative Water Phase 1C Project Fund</u> | | | |
| Appraisals | \$0 | \$20 | (\$20) |
| <u>Alternative Water Phase 1F Project Fund</u> | | | |
| ARRA DBE Administration | \$10,000 | \$12,000 | (\$2,000) |

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

These over-expenditures occurred because budget amendments were not adopted in a timely manner for certain expenditures. Management will more closely review the budget reports to ensure compliance in future years.

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. ASSETS

1. Deposits

All of the County's and the ABC Board's 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 or the ABC Board's 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 and the ABC Board, 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 -bearing deposits. Depositories using the Pooling Method report to the State Treasurer the interest adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the ABC Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the ABC Board 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 State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County and the ABC Board rely on the State Treasurer to monitor these financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County and the ABC Board do not have formal policies regarding custodial credit risks for deposits.

At June 30, 2010, the County's deposits had a carrying amount of \$7,830,831 and a bank balance of \$8,861,971. Of the bank balance, \$2,969,401 was covered by federal depository insurance and \$5,892,570 was covered by collateral held under the Pooling Method.

At June 30, 2010, Greene County had \$1,923 cash on hand.

At June 30, 2010, the carrying amount of deposits for Greene County ABC Board was \$159,285 and the bank balance was \$158,165. Of this balance, \$158,165 was covered by federal depository insurance and no balance was maintained in financial institutions utilizing the Pooling Method of collateralization.

At June 30, 2010, the ABC Board had \$600 cash on hand.

2. Investments

At June 30, 2010, the County's investment balances were as follows:

| | Reported Value | Fair Value |
|--|-----------------------|--------------------|
| NC Capital Management Trust - General Account | \$5,370,769 | \$5,370,769 |
| NC Capital Management Trust - Alternative Water Project Phase 1A | 1,257,598 | 1,257,598 |
| NC Capital Management Trust - Alternative Water Project Phase 1C | 3,028,606 | 3,028,606 |
| Total Investments | \$9,656,973 | \$9,656,973 |

The NC Capital Management Trust's cash portfolio carries a credit rating of AAAM by Standard and Poor's. The County has no policy regarding credit risk. At June 30, 2010, the ABC Board had no investments in the North Carolina Capital Management Trust.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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

| <u>Year Levied</u> | <u>Tax</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|--------------------|------------------|--------------------|
| 2006 | \$404,815 | \$132,577 | \$537,392 |
| 2007 | 445,185 | 105,732 | 550,917 |
| 2008 | 456,416 | 67,321 | 523,737 |
| 2009 | 467,498 | 26,881 | 494,379 |
| Total | \$1,773,914 | \$332,511 | \$2,106,425 |

4. Receivables

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

| | <u>Accounts</u> | <u>Taxes and Related Accrued Interest</u> | <u>Due From Other Governments</u> | <u>Total</u> |
|---|------------------|---|---|--------------------|
| <i>Governmental Activities:</i> | | | | |
| General | \$414,491 | \$545,196 | \$1,270,505 | \$2,230,192 |
| Other Governmental | 22,248 | 39,362 | 194,441 | 256,051 |
| Total Receivables | \$436,739 | \$584,558 | \$1,464,946 | \$2,486,243 |
| Allowance for Doubtful Accounts | (120,000) | (146,185) | | (266,185) |
| Total Governmental Activities | \$316,739 | \$438,373 | \$1,464,946 | \$2,220,058 |
| <i>Business-type Activities:</i> | | | | |
| Utility Fund | \$403,062 | | \$2,288,972 | \$2,692,034 |
| Landfill Fund | 82,491 | | 15,151 | 97,642 |
| Nonmajor Enterprise Activities | | | 173,766 | 173,766 |
| Total Receivables | \$485,553 | \$0 | \$2,477,889 | \$2,963,442 |
| Allowance for Doubtful Accounts | (96,000) | | | (96,000) |
| Total Business-type Activities | \$389,553 | \$0 | \$2,477,889 | \$2,867,442 |

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

The due from other governments that is owed to the County consists of the following:

| | |
|--------------------------------------|--------------------|
| Local Option Sales Tax | \$293,990 |
| Sales Tax | 143,524 |
| Various Human Service Revenues | 827,894 |
| Law Enforcement Contract - Snow Hill | 16,250 |
| One Economy Grant | 61,118 |
| American Prawn Cooperative | 1,959 |
| CDBG Grant | 120,211 |
| Total General Fund | \$1,464,946 |
| | |
| Scrap Tire Tax | \$6,100 |
| White Goods | 2,045 |
| Solid Waste | 7,006 |
| Transportation Grants | 173,766 |
| Alternative Water Supply Fees | 99,021 |
| USDA-RD Grant | 1,000,000 |
| DWSRF Grant | 886,945 |
| EDA Grant | 108,546 |
| Sales Tax | 194,460 |
| Total Enterprise Fund | \$2,477,889 |
| Total Due | \$3,942,835 |

5. Notes Receivable

The County has eight loans from Global Transpark Development Zone Loan Funds. The purpose of the loans is to increase the County tax base and create jobs. The subsequent repayment of these loans will likewise be restricted.

The first loan was made on March 19, 2002 to Ham Produce, Inc. for \$475,000. Ham Produce, Inc. is a large farming operation and has used the funds to acquire additional product storage space within the County. The terms of the loan call for quarterly payments of \$14,713 for ten years, including interest at 4.5%.

The second loan was made on May 22, 2002 to Maury Properties, LLC for \$175,000. Maury Properties, LLC is a construction company and has used the funds to expand its present location within the County. The terms of the loan call for quarterly payments of \$5,403 for ten years, including interest at 4.5%.

The third loan was made on August 1, 2002 to Brittany Ridge for \$110,000. Brittany Ridge operated a quail hatchery facility. Brittany Ridge has used the funds to construct a new quail hatchery to provide quail to area hunting preserves. The terms of the loan call for quarterly payments of \$3,341 for ten years, including interest at 4.5%. Brittany Ridge filed for bankruptcy effective August 3, 2005. No payments have been received by the County since March of 2006. On November 2009, the County received an order to proceed with foreclosure on this loan. The County attorney fully expects the sales proceeds to be adequate to cover the related debt.

The fourth loan was made on September 29, 2004 to NWL Capacitators for \$250,000. NWL operates an electronic capacitor manufacturing facility. NWL has used the funds to expand their building. The terms of the loan call for 60 payments of \$5,373 for 15 years, including interest at 3.5%.

The fifth loan was made on December 7, 2005 to William & Myrna Strickland (Strickland-Dail Dining) for \$100,000. Strickland-Dail operates a dining facility that relocated to Snow Hill after a fire destroyed the previous location. The terms of the loan call for 20 quarterly payments of \$5,612 for 5 years, including interest at 4.5%. This loan was paid off in full on September 16, 2009.

The sixth loan was made on November 9, 2007 to Moore's Fiberglass for \$140,000. Moore's Fiberglass is a trade contractor that intends to use the funds to create additional jobs. The terms of the loan call for 28 quarterly payments of \$5,929 for 7 years, including interest at 4.75%.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

The seventh loan was made on May 20, 2009 to Vandiford's Country Kitchen for \$100,000. Vandiford's operates a dining facility that located to Snow Hill from Hookerton. The terms of the loan call for 1 interest-only payment and 19 quarterly payments of principal and interest of \$5,875 for 4½ years, including interest at 4.50%. As of report date, Vandiford's had made only one payment. Notice has been given to Vandiford's to bring the loan current by January 1, 2011. If the loan is not brought current by that date foreclosure proceedings will be initiated.

The eighth loan was made on June 11, 2009 to the Greene County Arts & Historical Society (Museum) for \$35,500. The museum operates a facility located in Snow Hill. The terms of the loan call for 8 quarterly payments of principal and interest of \$4,665 for 2 years, including interest at 4.50%.

The following summarizes the expected collection on these notes:

| Principal Amounts Due For the Year Ended June 30, | Ham Produce, Inc. | Maury Properties , LLC | Brittany Ridge | NWL Capacitators | Moore's Fiberglass | Vandiford's | Museum | Total |
|--|----------------------------------|---------------------------------------|---------------------------|-----------------------------|-------------------------------|--------------------|-----------------|------------------|
| 2011 | \$82,082 | \$20,324 | \$67,365 | \$15,471 | \$19,291 | \$34,781 | \$17,911 | \$257,225 |
| 2012 | 43,161 | 16,058 | | 16,099 | 20,223 | 21,133 | | 116,674 |
| 2013 | | | | 16,753 | 21,201 | 22,100 | | 60,054 |
| 2014 | | | | 17,433 | 22,227 | 17,236 | | 56,896 |
| 2015 | | | | 18,141 | 17,319 | | | 35,460 |
| 2016 - 2020 | | | | 91,192 | | | | 91,192 |
| | \$125,243 | \$36,382 | \$67,365 | \$175,089 | \$100,261 | \$95,250 | \$17,911 | \$617,501 |

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GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

6. Capital Assets

Primary Government

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

| | Beginning Balances | Increases | Decreases | Ending Balances |
|--|-----------------------|--------------------|-----------------|---------------------|
| Governmental Activities: | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$603,482 | \$20,144 | | \$623,626 |
| Construction in Progress | 1,387,399 | 5,907,122 | \$78,573 | 7,215,948 |
| Total Capital Assets Not Being Depreciated | \$1,990,881 | \$5,927,266 | \$78,573 | \$7,839,574 |
| Capital Assets Being Depreciated: | | | | |
| Buildings & Land Improvements | \$6,858,147 | \$343,539 | | \$7,201,686 |
| Vehicles | 1,275,617 | | \$40,690 | 1,234,927 |
| Equipment | 2,267,109 | 50,065 | | 2,317,174 |
| Total Capital Assets Being Depreciated | \$10,400,873 | \$393,604 | \$40,690 | \$10,753,787 |
| <i>Less Accumulated Depreciation for:</i> | | | | |
| Buildings & Land Improvements | \$2,471,458 | \$154,592 | | \$2,626,050 |
| Vehicles | 976,193 | 82,113 | \$28,027 | 1,030,279 |
| Equipment | 1,426,232 | 189,863 | | 1,616,095 |
| Total Accumulated Depreciation | \$4,873,883 | \$426,568 | \$28,027 | \$5,272,424 |
| <i>Total Capital Assets Being Depreciated, Net</i> | <i>5,526,990</i> | | | <i>5,481,363</i> |
| Governmental Activity Capital Assets, Net | \$7,517,871 | | | \$13,320,937 |

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

| | |
|-----------------------------------|------------------|
| General Government | \$178,707 |
| Public Safety | 160,389 |
| Economic and Physical Development | 67 |
| Human Services | 13,945 |
| Cultural and Recreational | 72,895 |
| Education | 566 |
| Total Depreciation Expense | \$426,569 |

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GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

| <i>Business Type Activities:</i> | Beginning | | | Ending |
|--|---------------------|---------------------|------------|---------------------|
| Greene County Utility Fund: | Balances | Increases | Decreases | Balances |
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$169,768 | | | \$169,768 |
| Construction In Progress | 5,326,746 | \$11,266,602 | | 16,593,348 |
| <i>Total Capital Assets Not Being Depreciated</i> | <u>\$5,496,514</u> | <u>\$11,266,602</u> | <u>\$0</u> | <u>\$16,763,116</u> |
| Capital Assets Being Depreciated: | | | | |
| Transfer Distribution Systems | \$22,006,261 | \$142,111 | | \$22,148,372 |
| Equipment | 199,555 | 15,412 | | 214,967 |
| Vehicles | 245,876 | | | 245,876 |
| <i>Total Capital Assets Being Depreciated</i> | <u>\$22,451,692</u> | <u>\$157,523</u> | <u>\$0</u> | <u>\$22,609,215</u> |
| Less Accumulated Depreciation for: | | | | |
| Transfer Distribution Systems | \$4,667,632 | \$447,913 | | \$5,115,545 |
| Equipment | 146,537 | 19,735 | | 166,272 |
| Vehicles | 199,559 | 14,378 | | 213,937 |
| <i>Total Accumulated Depreciation</i> | <u>\$5,013,728</u> | <u>\$482,026</u> | <u>\$0</u> | <u>\$5,495,754</u> |
| <i>Total Capital Assets Being Depreciated, Net</i> | <u>17,437,964</u> | | | <u>17,113,461</u> |
| Greene County Utility Fund Capital Assets, Net | <u>\$22,934,478</u> | | | <u>\$33,876,577</u> |
| | | | | |
| Greene County Landfill Fund: | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land and Improvements | \$158,434 | | | \$158,434 |
| <i>Total Capital Assets Not Being Depreciated</i> | <u>\$158,434</u> | <u>\$0</u> | <u>\$0</u> | <u>\$158,434</u> |
| Capital Assets Being Depreciated: | | | | |
| Buildings | \$108,102 | | | \$108,102 |
| Vehicles | 249,597 | \$29,648 | | 279,245 |
| Equipment | 492,490 | | | 492,490 |
| <i>Total Capital Assets Being Depreciated</i> | <u>\$850,189</u> | <u>\$29,648</u> | <u>\$0</u> | <u>\$879,837</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings | \$104,256 | \$1,022 | | \$105,278 |
| Vehicles | 174,224 | 15,619 | | 189,843 |
| Equipment | 385,756 | 28,340 | | 414,096 |
| <i>Total Accumulated Depreciation</i> | <u>\$664,236</u> | <u>\$44,981</u> | <u>\$0</u> | <u>\$709,217</u> |
| <i>Total Capital Assets Being Depreciated, Net</i> | <u>185,953</u> | | | <u>170,620</u> |
| Greene County Landfill Capital Assets, Net | <u>\$344,387</u> | | | <u>\$329,054</u> |
| | | | | |
| Greene County Transportation Fund: | | | | |
| Capital Assets Being Depreciated: | | | | |
| Buildings | \$169,900 | | | \$169,900 |
| Vehicles | 287,988 | \$73,096 | | 361,084 |
| Equipment | 11,466 | | | 11,466 |
| <i>Total Capital Assets Being Depreciated</i> | <u>\$469,354</u> | <u>\$73,096</u> | <u>\$0</u> | <u>\$542,450</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings | \$17,233 | \$8,495 | | \$25,728 |
| Vehicles | 223,954 | 36,070 | | 260,024 |
| Equipment | 10,228 | 2,293 | | 12,521 |
| <i>Total Accumulated Depreciation</i> | <u>\$251,415</u> | <u>\$46,858</u> | <u>\$0</u> | <u>\$298,273</u> |
| <i>Total Capital Assets Being Depreciated, Net</i> | <u>217,939</u> | | | <u>244,177</u> |
| Greene County Transportation Fund Capital Assets, Net | <u>\$217,939</u> | | | <u>\$244,177</u> |
| | | | | |
| Business-type Activities Capital Assets, Net | <u>\$23,496,804</u> | | | <u>\$34,449,808</u> |

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

Construction Commitments

The government has active construction projects as of June 30, 2010. The projects include the Jail Construction project and the Alternative Water Phase 1A, 1C, and 1F projects. At June 30, 2010, the Government's commitments with contractors are as follows:

| Project | Spent to Date | Remaining Commitment |
|----------------------------|---------------------|----------------------|
| Jail Construction Project | \$7,236,091 | \$3,263,909 |
| Alternative Water Phase 1A | 8,914,472 | 219,847 |
| Alternative Water Phase 1C | 6,189,098 | 6,433,902 |
| Alternative Water Phase 1F | 1,459,727 | 1,700,273 |
| Total | \$23,799,388 | \$11,617,931 |

Discretely Presented Component Unit

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

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|--------------------|----------------|------------|-----------------|
| Capital Assets Not Being Depreciated | \$12,055 | | | \$12,055 |
| Total Assets Not Being Depreciated | <u>\$12,055</u> | <u>\$0</u> | <u>\$0</u> | <u>\$12,055</u> |
| Capital Assets Being Depreciated: | | | | |
| Buildings | \$49,942 | | | \$49,942 |
| Equipment | 48,917 | | | 48,917 |
| Total Capital Assets Being Depreciated | <u>\$98,859</u> | <u>\$0</u> | <u>\$0</u> | <u>\$98,859</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings | \$49,942 | | | \$49,942 |
| Equipment | 28,766 | \$3,565 | | 32,331 |
| Total Accumulated Depreciation | <u>\$78,708</u> | <u>\$3,565</u> | <u>\$0</u> | <u>\$82,273</u> |
| Total Capital Assets Being Depreciated, Net | 20,151 | | | 16,586 |
| Total Capital Assets Being Depreciated, Net | <u>\$32,206</u> | | | <u>\$28,641</u> |

B. LIABILITIES

1. Payables

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

| | Vendors | Accrued Interest | Other | Total |
|----------------------------------|--------------------|------------------|------------|--------------------|
| Governmental Activities: | | | | |
| General | \$333,097 | \$19,528 | | \$352,625 |
| Other Governmental | 1,073,081 | | | 1,073,081 |
| Total Governmental Activities | <u>\$1,406,178</u> | <u>\$19,528</u> | <u>\$0</u> | <u>\$1,425,706</u> |
| Business-type Activities: | | | | |
| Utility Fund | \$3,981,920 | \$221,022 | | \$4,202,942 |
| Landfill Fund | 29,858 | | | 29,858 |
| Nonmajor Enterprise Activities | 79,241 | | | 79,241 |
| Total Business-type Activities | <u>\$4,091,019</u> | <u>\$221,022</u> | <u>\$0</u> | <u>\$4,312,041</u> |

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

2. Pension Plan Obligations and Other Postemployment Benefits

a. Local Governmental Employee's Retirement System

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

Funding Policy. Plan members are required to contribute six (6) 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 4.96% and 4.86%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 5.42% of annual covered payroll. The contribution requirements of members and of the 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, 2009, and 2008 were \$286,853, \$274,965, and \$259,587, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2010, 2009, and 2008 were \$934, \$920, and \$758, respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

b. Law Enforcement Officers' Special Separation Allowance

1. Plan Description

Greene 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% 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.

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

| | |
|---|------------------|
| Retirees Receiving Benefits | 0 |
| Terminated Plan Members Entitled but not yet Receiving Benefits | 0 |
| Active Plan Members | 27 |
| Total | <u>27</u> |

2. Summary of Significant Accounting Policies:

Basis of Accounting. The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting.

Method Used to Value Investments. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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 benefit payments on a pay-as-you-go basis through appropriations made in the General Fund operating budget. For the current year, the County contributed \$0, or 0% 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.

The annual required contribution for the current year was determined as part of the December 31, 2009 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.5% to 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include post retirement 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 on a closed basis. The remaining amortization period at December 31, 2009 was 21 years.

Annual Pension Cost and Net Pension Obligation. The County's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

| | |
|--|------------------|
| Annual Required Contribution | \$13,262 |
| Interest on Net Pension Obligation | 7,384 |
| Adjustment to Annual Required Contribution | (6,416) |
| Annual Pension Cost | \$14,230 |
| Contributions Made | |
| Increase (Decrease) in Net Pension Obligation | \$14,230 |
| <i>Net Pension Obligation - Beginning of Year</i> | 101,852 |
| Net Pension Obligation - End of Year | \$116,082 |

3 YEAR TREND INFORMATION

| Fiscal Year Ended | Annual Pension Cost (APC) | Percentage of APC Contribution | Net Pension Obligation |
|-------------------|---------------------------|--------------------------------|------------------------|
| 6/30/08 | \$11,769 | 0.00% | \$89,200 |
| 6/30/09 | \$12,652 | 0.00% | \$101,852 |
| 6/30/10 | \$14,230 | 0.00% | \$116,082 |

4. *Funded Status and Funding Progress*

As of December 31, 2009, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$128,600 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$128,600. The covered payroll (annual payroll of active employees covered by the plan) was \$722,011, and the ratio of the UAAL to the covered payroll was 17.81 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents 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.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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 the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2010 were \$79,206, which consisted of \$43,760 from the County and \$35,446 from the law enforcement officers.

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

Plan Description. Greene County also contributes to the Registers of Deeds' Supplemental Pension Fund ("Fund"), a noncontributory, defined contribution pension plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county register of deeds who 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 Register of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2010, the County's required and actual contributions were \$974.

e. **Other Post-Employment Benefit**

1. **Healthcare Benefits**

Plan Description. Under the terms of a County resolution, the County administers a single-employer defined Healthcare Benefits Plan (the HCB plan). As of November 5, 2001, this plan provides postemployment healthcare benefits to retirees of the County, provided they participate in the Local Government Employees' Retirement System (System) and have at least five (5) years of creditable service with the County. Prior to November 5, 2001, employees were not qualified for benefits. The County pays the full cost of coverage for these benefits through private insurers. The County's retirees cannot purchase additional coverage for their dependents at the County's group rates. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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

| | |
|---|-------------------|
| Retirees and Dependents Receiving Benefits | 5 |
| Terminated Plan Members Entitled but not yet Receiving Benefits | 0 |
| Active Plan Members | 193 |
| Total | <u>198</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 Board. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 5.53% of the annual covered payroll. For the current year, the County contributed \$30,420 or .51% 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 2.89% and 1.91% of covered payroll, respectively. There were no contributions made by employees. The County's obligation to contribute to the HCB Plan is established and may be amended by the 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), and 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:

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

| | |
|---|-------------------------|
| Annual Required Contribution | \$272,070 |
| Interest on OPEB Obligation | 9,627 |
| Adjustment to Annual Required Contribution | <u>(8,306)</u> |
| Annual OPEB Cost (expense) | \$273,391 |
| Contributions Made | <u>(30,420)</u> |
| Increase (Decrease) in Net OPEB Obligation | \$242,971 |
| <i>Net OPEB Obligation - Beginning of Year</i> | <u>240,677</u> |
| Net OPEB Obligation - End of Year | <u>\$483,648</u> |

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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

| <u>Fiscal Year Ended</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contribution</u> | <u>Net Pension Obligation</u> |
|--------------------------|----------------------------------|---------------------------------------|-------------------------------|
| 6/30/09 | 272,070 | 11.54% | 240,677 |
| 6/30/10 | 273,391 | 11.13% | 483,648 |

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the plan was 100 percent not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$2,167,955. The covered payroll (annual payroll of active employees covered by the plan) was \$5,907,343, and the ratio of the UAAL to the covered payroll was 36.7%.

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 progress, presented as required supplementary information following the notes to the financial statements, (after the initial year of implementation) presents multiyear trend information about whether the actuarial value of the 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 types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00% 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 10.5 to 5.0 percent annually. The investment rate included a 3.75% percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009, was 30 years.

f. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Government 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 contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount. The County considers these contributions to be immaterial.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

3. Closure and Postclosure Care Costs - Landfill

State and federal laws and regulations require the County to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$996,443 reported as landfill closure and postclosure care liability at June 30, 2010 represents the net cumulative amount reported to date, based on the use of 100% of the total estimated capacity of the landfill.

The County closed the landfill on December 31, 1997 to all forms of trash except construction and debris and has begun to incur actual closure costs. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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 post closure care requirements.

4. Deferred/Unearned Revenues

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

| | Deferred Revenue | Unearned Revenue |
|---|-----------------------------|-----------------------------|
| Taxes Receivable (Net) - General | \$409,772 | |
| Taxes Receivable (Net) - Fire Districts | 40,380 | |
| Prepaid Regular Property Taxes Not Yet Earned | | \$24,739 |
| Prepaid Vehicle Property Taxes Not Yet Earned | | 32,431 |
| Agricultural Center Grant | | 26,970 |
| Total Governmental Activities | \$450,152 | \$84,140 |

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 maintains commercial insurance with a private insurance agency. Through these this company, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$14.6 million for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, workers' compensation coverage up to the statutory limits.

The County maintains a self-insurance plan for the medical benefits provided to their employees. Effective June 1, 2009, the County established a partially self-funded group health care plan for eligible employees and covered dependents. This activity is accounted for as an internal service fund. Stop loss insurance has been purchased to supplement the plan, which will reimburse the County for individual claims exceeding \$50,000 annually, or aggregate claims exceeding approximately \$5,000,000 lifetime. The County became partially self-funded for the purpose of providing affordable health insurance to its employees while better managing the costs of health claims.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

The County carries flood insurance through a private insurance agency. The County's insurance policy provides limited flood coverage in areas outside the 100-year flood zone and is subject to a per occurrence deductible of \$25,000. Property located within the 100-year flood zone, as designated by FEMA, is excluded from coverage. The County has two properties located in areas designated as "B" areas (land not in the 100-year flood plan but in the 500-year plan). The County has elected not to pursue further insurance coverage for these two areas.

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.

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 Finance Officer and tax collector are each individually bonded for \$50,000 each. The Sheriff and Register of Deeds are each individually bonded for \$10,000. The remaining employees that have access to funds are under a blanket bond for \$250,000.

Greene County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; 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.

6. Contingent Liabilities

At June 30, 2010, the County was not a defendant to any lawsuits. However, according to the County's legal counsel, threatened litigation exists. 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. If litigation occurs, these claims will be turned over to the County's insurance carrier.

7. Long-Term Obligations

a. Capital Leases

The County entered into an agreement to lease certain wireless broadband computer equipment. The lease agreement qualified as a capital lease for accounting purposes and, therefore, was recorded at the present value of the future minimum lease payments as of the date of inception.

The agreement was executed on December 28, 2004 for the lease of equipment for the iTech Project to implement a broadband network in Greene County and required four annual payments of \$228,409, which includes \$821,000 principal and \$92,636 in interest. At June 30, 2010, the County had only drawn funds in the amount of \$799,439 and expects the remaining \$21,561 to be repaid to the County by Apple, (facilitator of the iTech project). The County has an outstanding balance due of \$0. On September 17, 2010, the Board voted unanimously to allow the transfer of equipment from Wavelength to Dale Media and to cancel all contracts with Wavelength and Greene County by mutual consent with the County attorney approving the necessary contracts for Greene County and Dale Media and the necessary cancellations with Wavelength.

At June 30, 2010, the County leased equipment valued at:

| Classes of Property | Cost | Accumulated Depreciation | Net Book Value |
|---|------------------|-----------------------------|-------------------|
| Computer Equipment - Wireless Broadband Network | \$799,439 | \$350,007 | \$449,432 |
| Total | \$799,439 | \$350,007 | \$449,432 |

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

b. Note Payable

Note payable to an individual for the purchase of the Standard Laconic Building. The obligation requires annual payments of \$20,000 including interest at 5%.

The annual debt service requirements to maturity are as follows:

| <u>During the Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|------------------|-----------------|------------------|
| 2011 | \$10,831 | \$9,169 | \$20,000 |
| 2012 | 11,385 | 8,615 | 20,000 |
| 2013 | 11,967 | 8,033 | 20,000 |
| 2014 | 12,580 | 7,420 | 20,000 |
| 2015 | 13,223 | 6,777 | 20,000 |
| 2016 - 2020 | 76,984 | 23,016 | 100,000 |
| 2021 - 2022 | 42,248 | 3,410 | 45,658 |
| | <u>\$179,218</u> | <u>\$66,440</u> | <u>\$245,658</u> |

c. Global Transpark Development Zone Loans Payable

The County has borrowed funds from the Global Transpark Development Zone Loan funds generated by the temporary five-dollar (\$5.00) motor vehicle registration tax. These tax proceeds were in turn loaned to County businesses for Economic Development.

The first loan was drawn down on January 31, 2002 in the amount of \$475,000. The County's obligation under this agreement is limited to the amount of its annual appropriation for the payment of principal and interest. The obligation calls for quarterly payments of \$14,125, beginning on March 1, 2002 and ending on December 1, 2011. The obligation carries interest at 3.5% and the June 30, 2010 balance was \$78,437.

The second loan was drawn down on May 14, 2002 in the amount of \$175,000. The County's obligation under this agreement is limited to the amount of its annual appropriation for the payment of principal and interest. The obligation calls for quarterly payments of \$5,204, beginning on June 1, 2002 and ending on March 1, 2012. The obligation carries interest at 3.5% and the June 30, 2010 balance was \$33,562.

The third loan was drawn down on August 1, 2002 in the amount of \$110,000. The County's obligation under this agreement is limited to the amount of its annual appropriation for the payment of principal and interest. The obligation calls for quarterly payments of \$2,364, beginning on September 1, 2002 and ending on September 1, 2012. The obligation carries interest at 3.5% and the June 30, 2010 balance was \$57,657.

The fourth loan was drawn down on September 29, 2004 in the amount of \$250,000. The County's obligation under this agreement is limited to the amount of its annual appropriation for the payment of principal and interest. The obligation calls for quarterly payments of \$5,373, beginning on December 1, 2004 and ending on September 1, 2019. The obligation carries interest at 3.5% and the June 30, 2010 balance was \$168,398.

The fifth loan was drawn down on February 28, 2006 in the amount of \$100,000. The County's obligation under this agreement is limited to the amount of its annual appropriation for the payment of principal and interest. The obligation calls for quarterly payments of \$5,507, beginning on June 1, 2006 and ending on March 1, 2011. The obligation carries interest at 3.75% and the June 30, 2010 balance was \$16,227.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

The sixth loan was drawn down on November 9, 2008 in the amount of \$140,000. The County's obligation under this agreement is limited to the amount of its annual appropriation for the payment of principal and interest. The obligation calls for quarterly payments of \$5,708, beginning on March 1, 2009 and ending on December 1, 2014. The obligation carries interest at 3.75% and the June 30, 2010 balance was \$94,485.

The seventh loan was drawn down on May 4, 2009 in the amount of \$100,000. The County's obligation under this agreement is limited to the amount of its annual appropriation for the payment of principal and interest. The obligation calls for one interest-only payment and quarterly payments of \$5,472, beginning on September 1, 2009 and ending on March 1, 2014. The obligation carries interest at 3.50% and the June 30, 2010 balance was \$81,369.

The eighth loan was drawn down on June 11, 2009 in the amount of \$35,500. The County's obligation under this agreement is limited to the amount of its annual appropriation for the payment of principal and interest. The obligation calls for quarterly payments of \$4,614, beginning on September 1, 2009 and ending on June 1, 2011. The obligation carries interest at 3.50% and the June 30, 2010 balance was \$18,027.

The annual debt service requirements to maturity for these loans are as follows:

| <u>During the Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|-------------------------|------------------------|-------------------------|
| 2011 | \$170,819 | \$17,127 | \$187,946 |
| 2012 | 102,087 | 11,740 | 113,827 |
| 2013 | 101,026 | 7,875 | 108,901 |
| 2014 | 60,845 | 5,321 | 66,166 |
| 2015 | 29,827 | 3,490 | 33,317 |
| 2016 - 2020 | 83,560 | 6,636 | 90,196 |
| | <u>\$548,164</u> | <u>\$52,189</u> | <u>\$600,353</u> |

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GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

d. **Installment Purchase Contracts**

On December 1, 1995, the County entered into an installment purchase contract with Branch Banking & Trust Leasing Corporation for the purpose of adding on to and making renovations to West Greene Elementary School. The terms of this agreement called for the bank to make advances to the County as construction progressed for the purpose of paying construction costs. The installment purchase was issued pursuant to a deed of trust that required that legal title to West Greene Elementary School be transferred to the County as long as the debt is outstanding. The County has entered into a lease with the Greene County Board of Education that transfers the rights and responsibilities for maintenance and insurance of the property to the Board of Education. The lease calls for nominal annual lease payments and also contains a bargain purchase option. The lease term is the same as that of the installment purchase obligation. Due to the economic substance of the transaction, the existing fixed assets associated with the installment purchase obligation will remain on the books of the Board of Education. All relevant details can be found in the "Installment Financing Contract between Branch Banking & Trust Leasing Corporation and the County of Greene, North Carolina" dated December 13, 1995. The County's obligation under this installment purchase contract is limited to the amount of its annual budgetary appropriation for the payment of principal and interest. The construction price advanced by the bank totaled \$2,164,498. Repayment is scheduled for semi annual appropriation of interest only in the amount of \$48,918 for the first three years ending on December 1, 1998, with the remaining payments of \$110,666, including principal and interest, due in semi annual installments through December 1, 2010.

| <u>During the Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|------------------|-----------------|------------------|
| 2011 | \$108,704 | \$1,962 | \$110,666 |
| | \$108,704 | \$1,962 | \$110,666 |

On June 14, 2007, the County entered into an installment purchase contract with Branch Banking & Trust Company for the purpose of acquiring and/or constructing water & sewer utilities and a lift station for the Industrial Park site. Under the terms of this agreement the bank advanced funds to the County as construction progressed for the purpose of paying construction costs. This contract is secured by a promissory note and deed of trust on the property and any improvements thereon. The County's obligation under this installment purchase contract is limited to the amount of its annual budgetary appropriation for the payment of principal and interest. The purchase price advanced by the bank totaled \$437,045.

Repayment, including principal and interest at 4.15%, is scheduled for semi-annual appropriations of \$19,716 beginning on December 14, 2007, with the remaining payments of \$19,716, including principal and interest, due in semi-annual installments through June 14, 2021. The unpaid installment purchase contract balance at June 30, 2010 was \$345,417.

| <u>During the Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|------------------|-----------------|------------------|
| 2011 | \$25,357 | \$14,075 | \$39,432 |
| 2012 | 26,420 | 13,012 | 39,432 |
| 2013 | 27,527 | 11,905 | 39,432 |
| 2014 | 28,683 | 10,749 | 39,432 |
| 2015 | 29,885 | 9,547 | 39,432 |
| 2016 - 2020 | 169,307 | 27,851 | 197,158 |
| 2021 | 38,238 | 1,194 | 39,432 |
| | \$345,417 | \$88,333 | \$433,750 |

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

On February 23, 2009, the County entered into an installment purchase contract with Southern Bank & Trust Company for the purpose of acquiring a 2008 Chevrolet Ambulance. This contract is secured by the related vehicle. The County's obligation under this installment purchase contract is limited to the amount of its annual budgetary appropriation for the payment of principal and interest. The total purchase price advanced by the bank totaled \$86,400. Repayment is scheduled for six semi-annual payments including interest at 2.82% beginning August 23, 2009, through February 23, 2012.

| <u>During the Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|------------------|-----------------|-----------------|
| 2011 | \$28,792 | \$1,444 | \$30,236 |
| 2012 | 29,612 | 626 | 30,238 |
| | <u>\$58,404</u> | <u>\$2,070</u> | <u>\$60,474</u> |

On June 11, 2009, the County secured interim financing through Suntrust Bank to complete the jail construction project. Upon completion, the County fully expects to refinance this interim financing with a loan from the USDA. The terms of this agreement call for 3 semi-annual payments of interest only beginning December 11, 2009 through December 11, 2010. Beginning June 11, 2011 the County will make 1 annual payment of principal and interest of \$10,642,275. This agreement carries an interest rate of 2.71%. The balance at June 30, 2010 was \$10,500,000.

| <u>During the Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|---------------------|------------------|---------------------|
| 2011 | \$10,500,000 | \$284,550 | \$10,784,550 |
| | <u>\$10,500,000</u> | <u>\$284,550</u> | <u>\$10,784,550</u> |

(Reported In Enterprise Funds)

Utility Fund

On April 30, 2004 the County entered into an installment purchase contract with Branch Banking and Trust Company for the purpose installing sanitary sewer service to the new Maury Correctional Institution. The County's obligation under this installment purchase contract is limited to the amount of its annual budgetary appropriation for the repayment of principal and interest. The total advanced by the bank was \$2,654,220. Repayment is scheduled for thirty semi-annual payments of \$116,000 including interest at 3.69%, beginning October 30, 2004 through April 30, 2019.

| <u>During the Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|--------------------|------------------|--------------------|
| 2011 | \$168,485 | \$63,515 | \$232,000 |
| 2012 | 174,759 | 57,241 | 232,000 |
| 2013 | 181,267 | 50,733 | 232,000 |
| 2014 | 188,018 | 43,982 | 232,000 |
| 2015 | 195,020 | 36,980 | 232,000 |
| 2016 - 2019 | 855,460 | 72,537 | 927,997 |
| | <u>\$1,763,009</u> | <u>\$324,988</u> | <u>\$2,087,997</u> |

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

On May 29, 2008 the County entered into an installment purchase contract with First Citizens Bank and Trust Company for the purpose of installing water and sewer services to the new Cutter Creek Subdivision. The County's obligation under this installment purchase contract is limited to the amount of its annual budgetary appropriation for the repayment of principal and interest. The total advanced by the bank was \$1,800,000. During the year ended June 30, 2009, a special grant allowed for principal repayment of \$340,000 leaving a net loan of \$1,460,000. On April 29, 2010 the County amended its contract with First Citizens Bank and Trust Company, resulting in new payment terms. Beginning with the payment on May 29, 2010, the County will make 6 semi-annual payments of \$180,000 plus interest through November 29, 2012. There will be a final payment of \$115,650 plus interest due May 29, 2013. The loan carries an interest rate of 3.73%.

| <u>During the Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|--------------------|-----------------|--------------------|
| 2011 | \$444,350 | \$34,527 | \$478,877 |
| 2012 | 360,000 | 21,099 | 381,099 |
| 2013 | 295,650 | 7,671 | 303,321 |
| | <u>\$1,100,000</u> | <u>\$63,297</u> | <u>\$1,163,297</u> |

e. **Clean Water Bond Loan Payable**

On January 6, 2003, Greene County entered into a loan agreement with the State of North Carolina to obtain financing under the Clean Water Bond Loan Program. The proceeds were used to construct supply and storage facilities to alleviate the current water shortage and for the extension of the County's distribution system. Principal is due annually on May 1. Interest is accrued at the rate of 5.75% and is payable semi-annually on May 1 and November 1. The total loan amount advanced to Greene County was \$3,272,415. At June 30, 2010, the balance was \$2,239,021.

| <u>During the Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|--------------------|------------------|--------------------|
| 2011 | \$172,232 | \$117,790 | \$290,022 |
| 2012 | 172,232 | 109,376 | 281,608 |
| 2013 | 172,232 | 100,963 | 273,195 |
| 2014 | 172,232 | 92,549 | 264,781 |
| 2015 | 172,232 | 84,136 | 256,368 |
| 2016 - 2020 | 861,160 | 294,474 | 1,155,634 |
| 2021 - 2023 | 516,701 | 75,722 | 592,423 |
| | <u>\$2,239,021</u> | <u>\$875,010</u> | <u>\$3,114,031</u> |

f. **Bond Anticipation Notes**

On September 23, 2008, the County secured interim financing through the issuance of Bond Anticipation Note Proceeds to complete a construction project for Water System Improvements. Upon completion, the County fully expects to refinance this interim financing with a loan from the USDA.

\$6,202,000 Water System Improvement Notes issued on September 23, 2008; interest at 3.28%. The notes will be repaid from a \$12,739,000 bond issue expected to be sold in the next fiscal year.

| <u>During the Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|--------------------|------------------|--------------------|
| 2011 | \$6,202,000 | \$101,713 | \$6,303,713 |
| | <u>\$6,202,000</u> | <u>\$101,713</u> | <u>\$6,303,713</u> |

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

On September 8, 2009, the County secured interim financing through the issuance of Bond Anticipation Note Proceeds to complete a construction project for Water System Improvements. Upon completion, the County fully expects to refinance this interim financing with a loan from the USDA.

\$6,537,000 Water System Improvement Notes issued on September 8, 2009; interest at 2.89%. The notes will be repaid from a \$12,739,000 bond issue expected to be sold in the next fiscal year.

| <u>During the Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|--------------------|------------------|--------------------|
| 2011 | \$6,537,000 | \$182,622 | \$6,719,622 |
| | <u>\$6,537,000</u> | <u>\$182,622</u> | <u>\$6,719,622</u> |

g. DWSRF Revolving Loan

On May 20, 2009, the County entered into a loan agreement with the State of North Carolina to obtain financing under the Drinking Water State Revolving Funds Program (DWSRF). The funds are to be used to complete a construction project for Water System Improvements. Of the total \$3,000,000 loan, \$1,400,744 has been received by the County as of June 30, 2010. The agreement allows for half of the total loan to be forgiven. Once the entire \$3,000,000 has been received, half of the loan will be paid back over 20 years with no interest.

h. Long-term Obligation Activity

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

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> | <u>Current Portion</u> |
|---|------------------------------|--------------------|------------------|---------------------------|----------------------------|
| Governmental Activities: | | | | | |
| Notes Payable | \$189,522 | | \$10,304 | \$179,218 | \$10,831 |
| Global Transpark Development Zone Loan | 718,404 | | 170,240 | 548,165 | 170,819 |
| Installment Purchase Contracts | 11,276,519 | | 263,994 | 11,012,525 | 10,662,853 |
| Net Pension Obligation | 101,852 | \$14,230 | | 116,082 | |
| OPEB Obligation | 220,385 | 256,684 | 30,420 | 446,649 | |
| Compensated Absences | 378,416 | 319,093 | 296,453 | 401,056 | |
| Total Governmental Activities | <u>\$12,885,098</u> | <u>\$590,007</u> | <u>\$771,411</u> | <u>\$12,703,695</u> | <u>\$10,844,503</u> |
| Business-type Activities: | | | | | |
| Installment Purchase Contract | \$3,385,445 | | \$522,436 | \$2,863,009 | \$612,835 |
| Clean Water Bond Loan | 2,411,253 | | 172,232 | 2,239,021 | 172,232 |
| Bond Anticipation Notes | 6,202,000 | \$6,537,000 | | 12,739,000 | 12,739,000 |
| DWSRF Revolving Loan | | 700,372 | | 700,372 | |
| Accrued Landfill Closure and Postclosure Costs | 996,343 | | | 996,343 | |
| OPEB Obligation | 20,292 | 16,707 | | 36,999 | |
| Compensated Absences | 61,201 | 42,679 | 37,124 | 66,756 | |
| Total Business-type Activities | <u>\$13,076,534</u> | <u>\$7,296,758</u> | <u>\$731,792</u> | <u>\$19,641,500</u> | <u>\$13,524,067</u> |

Compensated absences for governmental activities typically have been liquidated in the general fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

i. Conduit Debt of Obligations

Greene County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, or any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2009 there was one series of industrial revenue bonds outstanding, with a principal amount payable of \$3,850,000. As of June 30, 2010, the industrial revenue bonds have been paid off.

8. Non-Cancelable Operating Lease

The County has entered into an agreement to lease certain equipment with COECO Office Systems, Inc. The lease agreement qualifies as an operating lease for accounting purposes. The agreement was executed on May 28, 2008 to lease copiers and document feeders for various county departments and requires 60 monthly payments of \$1,745. The cost of black and color copies, parts, labor, supplies (excluding paper and staples), and networking assistance are included in the monthly cost.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010 were as follows:

| Fiscal Year Ending June 30, | |
|--|------------------------|
| 2011 | \$20,940 |
| 2012 | 20,940 |
| 2013 | <u>19,195</u> |
| Total Minimum Future Payments Required | <u><u>\$61,075</u></u> |

C. INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances at June 30, 2010 are as follows:

| Receivable Fund | Payable Fund | Amount |
|------------------------|---------------------|-------------------------|
| General Fund | Utility Fund | \$255,880 |
| Landfill Fund | General Fund | (9,433) |
| | | <u><u>\$246,447</u></u> |

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GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

Operating and equity transfers to and from funds for the year ended June 30, 2010 are as follows:

| Operating Transfers From/To Other Funds | TRANSFERS | |
|---|------------------|------------------|
| | FROM | TO |
| General Fund | | |
| Revaluation Fund | | \$45,000 |
| Capital Projects Fund - School Capital Finance Fund | | 241,332 |
| Utility Fund | | 411,101 |
| Recreation Park Fund | | 13,828 |
| Special Revenue Funds | | |
| Revaluation Fund: | | |
| General Fund | \$45,000 | |
| Capital Projects Fund | | |
| School Capital Finance Fund: | | |
| General Fund | 241,332 | |
| Recreation Park Fund: | | |
| General Fund | 13,828 | |
| Enterprise Fund | | |
| Utility Fund | 411,101 | |
| Total Operating Transfers - Other Funds | \$711,261 | \$711,261 |

IV. RELATED ORGANIZATIONS

The County's governing board is also responsible for appointing the members of the board of the Greene County Housing Authority, but the County's accountability for this organization does not extend beyond making these appointments. The Authority exists to provide housing assistance for low-income County residents from funding provided by federal and State resources. The County did not appropriate any funds to the Authority during the year ended June 30, 2010, and the Authority is not considered in determining the County's legal debt limit.

V. JOINT VENTURES

The County participates in a joint venture with Lenoir and Greene counties to operate the Neuse Regional Library. The County appoints three board members of the twelve-member board. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2010. During the year ended June 30, 2010, the County appropriated \$131,000 to the Library. Complete financial statements for the Library can be obtained by contacting the Library's administrative offices at 510 North Queen Street, Kinston, North Carolina 28501.

The County, in conjunction with Wilson County, participates in a joint venture to operate Wilson-Greene Center for Mental Health, Mental Retardation, and Substance Abuse Services. The County appoints five board members of the eighteen-member board. The County has an ongoing financial responsibility for the joint venture because the Center's continued existence depends on the participating governments' funding in conjunction with the State and federal governments. None of the participating governments have any equity interest in the Center, so no equity interest has been reflected in the financial statements at June 30, 2010. The County appropriated \$61,218 to the Center during the fiscal year ended June 30, 2010 which included \$2,700 received from the ABC Board designated for alcohol education. All Mental Health appropriations were suspended for the 2009-2010 fiscal year. This was done state-wide for all counties. The only appropriations expended during the year were for the alcohol education to the ABC Board. Complete financial statements for the Center can be obtained by contacting the Center's administrative offices at PO Box 3756, Wilson, North Carolina 27893.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

The County, in conjunction with the State of North Carolina and three other Local Governments, participates in a joint venture to operate Lenoir Community College. The County appoints two members of the sixteen member board of trustees of the community college. The College is included as a component unit of the State of North Carolina. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the Community College's operations. 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 \$240,000 to the Community College during the fiscal year ended June 30, 2010. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the financial statements at June 30, 2010. Complete financial statements for the community college may be obtained from the community college's administrative offices at PO Box 188, Highway 70 and 58, Kinston, North Carolina 28502.

VI. JOINTLY GOVERNED ORGANIZATIONS

Neuse River Council Of Governments

The County, in conjunction with nine other counties and thirty-nine municipalities, established the Neuse River Council of Governments ("Council"). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$7,003 during the fiscal year ended June 30, 2010.

Global TransPark Development Commission

The Global TransPark Development Commission is a corporate body created on November 29, 1993. Its purpose is to allow participating counties, including Greene County, which have the potential to derive direct economic benefits from the North Carolina Global TransPark, to create a special economic development district, known as the Global TransPark Development Zone. The Commissions' primary responsibility is to promote and encourage economic development within the territorial jurisdiction of the Zone by fostering development projects to provide land, buildings, facilities, programs, information and data systems, and infrastructure requirements for business and industry in the Global TransPark Development Zone.

The Commission is governed by nineteen voting members, consisting of one member from Greene County and each of the twelve other participating counties, and two members each appointed by the Senate, the Governor, and the House of Representatives. The Board of County Commissioners of the respective counties appoints the voting members from each of the counties.

The Commission is responsible for a nonexpendable trust fund consisting of an initial State appropriation of \$7.5 million and 85% of the quarterly distributions of the \$5 motor vehicle license fees collected by the North Carolina Department of Transportation. The motor vehicle tax was adopted by the legislature and the participating counties and was collected for a period of five years. The principal balance of the trust funds are nonexpendable and will revolve as loans are made and repaid to the Commission. At June 30, 2010, the portion of the trust available to be loaned exclusively to Greene County was \$316,103, calculated as follows:

| | |
|-----------------------------|-------------------------|
| Total Allocations for Loans | \$863,765 |
| Loans Drawn Down | (1,485,000) |
| Principal Payments | 937,338 |
| Funds Available | <u>\$316,103</u> |

VII. 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 that do not appear in the general purpose financial statements because they are not revenues and expenditures of the County.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

| | Federal | State |
|---|---------------------|------------------|
| Medicaid | \$21,804,788 | |
| Food Stamp Program | 5,936,820 | |
| Women, Infants and Children | 392,651 | |
| Temporary Assistance For Needy Families | 264,888 | |
| Other Programs | 423,886 | \$312,708 |
| Total | \$28,823,033 | \$312,708 |

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 statements for the refund of grant moneys.

IX. MAJOR ENTERPRISE CUSTOMER

The County's Utility Fund has one industrial customer who provides a substantial amount of the fund's sales. Billings to this customer comprised 43.45% of total billings.

X. CUTTER CREEK

On March 5, 2008, the County entered into an Infrastructure Financing Agreement with Mill Run Development Group, LLC. Mill Run Development Group, LLC is the entity that has been formed to own, develop and sell real property in the 400 plus acre development in Greene County known as the Cutter Creek Plantation Subdivision. The terms of the agreement state that the County will provide financing to construct the wastewater infrastructure required to convey wastewater from Cutter Creek to the City of Kinston's wastewater system. The County has undertaken this construction in anticipation that the County will collect sufficient additional ad valorem tax revenues from the development of Cutter Creek to amortize the project financing in full on or before December 31, 2013. Under the agreement, Mill Run Development Group, LLC placed \$1,425,000 with a third party Escrow Agent representing the principal of the financed amount plus one year's interest associated with the debt. The County may draw up to the full amount of the Escrow Fund in the event the tax revenues generated from Cutter Creek do not fulfill the obligation of the debt instrument. As of report date, \$842,017 of escrow funds had been released.

On March 5, 2007, the County entered into an agreement with Mill Run Development Group, LLC in which Mill Run would establish a second Escrow Fund to provide a performance guaranty for One Hundred Twenty Five Percent (125%) of the estimated costs of constructing infrastructure on Phase 1A of Cutter Creek Plantation Subdivision. \$3,500,000 had previously been deposited by Mill Run with a third party Escrow Agent and Mill Run has begun construction of Phase 1A. On June 1, 2009, the Escrow fund agreement was converted to a performance bond.

On June 14, 2007, the County entered into an agreement with Mill Run Development Group, LLC in which Mill Run would establish a third Escrow Fund to provide a performance guaranty for One Hundred Twenty Five percent (125%) of the estimated costs of constructing infrastructure on Phase 2 of Cutter Creek Plantation Subdivision. \$1,515,000 had previously been deposited by Mill Run with a third party Escrow Agent and Mill Run has begun construction of Phase 2. On June 1, 2009, the Escrow fund agreement was converted to a performance bond.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

On April 17, 2008, the County entered into an agreement with Mill Run Development Group, LLC in which Mill Run would obtain a performance bond to provide a performance guaranty for One Hundred Twenty Five percent (125%) of the estimated costs of constructing infrastructure on Phase 3 of Cutter Creek Plantation Subdivision.

On August 22, 2008, the County entered into an agreement with Mill Run Development Group, LLC in which Mill Run would obtain a performance bond to provide a performance guaranty for One Hundred Twenty Five percent (125%) of the estimated costs of constructing infrastructure on Phase 4 of Cutter Creek Plantation Subdivision.

On August 27, 2008, the County entered into an agreement with Mill Run Development Group, LLC in which Mill Run would obtain a performance bond to provide a performance guaranty for One Hundred Twenty Five percent (125%) of the estimated costs of constructing infrastructure on Phase 5 of Cutter Creek Plantation Subdivision.

Subsequent to June 30, but prior to report date, all work has been completed and all performance bonds have been released on all phases.

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 the 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.**

GREENE COUNTY, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
SCHEDULE OF FUNDING PROGRESS
 June 30, 2010

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Liability (AAL) Projected Unit Credit (b) | Unfunded AAL (UAAL) (b - a) | Funded Ratio (a / b) | Covered Payroll for Year Ending On Val Date (c) | UAAL as a Percentage of Covered Payroll ((b -a) /c) |
|--------------------------------|--|---|--------------------------------------|----------------------------|--|---|
| 12/31/1997 | \$0 | \$63,324 | \$63,324 | 0.00% | \$441,707 | 14.34% |
| 12/31/1998 | \$0 | \$41,666 | \$41,666 | 0.00% | \$507,459 | 8.21% |
| 12/31/1999 | \$0 | \$35,126 | \$35,126 | 0.00% | \$492,016 | 7.14% |
| 12/31/2000 | \$0 | \$44,921 | \$44,921 | 0.00% | \$511,850 | 8.78% |
| 12/31/2001 | \$0 | \$44,712 | \$44,712 | 0.00% | \$477,967 | 9.35% |
| 12/31/2002 | \$0 | \$50,488 | \$50,488 | 0.00% | \$559,480 | 9.02% |
| 12/31/2003 | \$0 | \$56,684 | \$56,684 | 0.00% | \$593,731 | 9.55% |
| 12/31/2004 | \$0 | \$48,867 | \$48,867 | 0.00% | \$577,806 | 8.46% |
| 12/31/2005 | \$0 | \$50,632 | \$50,632 | 0.00% | \$703,682 | 7.20% |
| 12/31/2006 | \$0 | \$57,121 | \$57,121 | 0.00% | \$719,796 | 7.94% |
| 12/31/2007 | \$0 | \$66,629 | \$66,629 | 0.00% | \$697,283 | 9.56% |
| 12/31/2008 | \$0 | \$77,583 | \$77,583 | 0.00% | \$721,823 | 10.75% |
| 12/31/2009 | \$0 | \$128,600 | \$128,600 | 0.00% | \$722,011 | 17.81% |

GREENE COUNTY, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
SCHEDULE OF EMPLOYER CONTRIBUTIONS
 June 30, 2010

| <u>Year Ending June 30</u> | <u>Annual Required Contribution</u> | <u>Percentage Contributed</u> |
|----------------------------|-------------------------------------|-------------------------------|
| 1998 | \$9,706 | 0.00% |
| 1999 | \$9,495 | 0.00% |
| 2000 | \$7,858 | 0.00% |
| 2001 | \$7,017 | 0.00% |
| 2002 | \$8,552 | 0.00% |
| 2003 | \$8,619 | 0.00% |
| 2004 | \$9,918 | 0.00% |
| 2005 | \$11,069 | 0.00% |
| 2006 | \$9,948 | 0.00% |
| 2007 | \$10,432 | 0.00% |
| 2008 | \$10,913 | 0.00% |
| 2009 | \$11,822 | 0.00% |
| 2010 | \$13,262 | 0.00% |

Notes to the Required Schedules:

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

| | |
|-------------------------------|-----------------------------|
| Valuation Date | 12/31/09 |
| Actuarial Cost Method | Projected Unit Credit |
| Amortization Method | Level Percent of Pay Closed |
| Remaining Amortization Period | 21 Years |
| Asset Valuation Method | Market Value |
| <i>Actuarial Assumptions:</i> | |
| Investment Rate of Return* | 5.00% |
| Projected Salary Increases* | 4.5% to 12.3% |
| *Includes Inflation At | 3.75% |
| Cost-of-Living Adjustments | N/A |

GREENE COUNTY, NORTH CAROLINA
OTHER POSTEMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
 June 30, 2010

| 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 Percentage of Covered Payroll ((b - a) / c) |
|--------------------------------|--|---|-----------------------------------|----------------------------|---------------------------|---|
| 12/31/2008 | \$0 | \$1,787,821 | \$1,787,821 | 0.00% | \$5,667,378 | 31.5% |
| 12/31/2009 | \$0 | \$2,167,955 | \$2,167,955 | 0.00% | \$5,907,343 | 36.7% |

GREENE COUNTY, NORTH CAROLINA
OTHER POSTEMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
 June 30, 2010

| <u>Year Ending June 30</u> | <u>Annual Required Contribution</u> | <u>Percentage Contributed</u> |
|----------------------------|-------------------------------------|-------------------------------|
| 2009 | \$272,070 | 11.54% |
| 2010 | \$273,391 | 11.13% |

Notes to the Required Schedules:

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

| | |
|-------------------------------|-----------------------------|
| Valuation Date | 12/31/09 |
| Actuarial Cost Method | Projected Unit Credit |
| Amortization Method | Level Percent of Pay Closed |
| Remaining Amortization Period | 30 Years |
| Asset Valuation Method | Market Value OF Assets |
| <i>Actuarial Assumptions:</i> | |
| Investment Rate of Return* | 4.00% |
| Projected Salary Increases* | 10.50% to 5.00% |
| *Includes Inflation At | 3.75% |

SUPPLEMENTARY INFORMATION
Combining and Individual Fund Financial Statements and Schedules

**GREENE COUNTY, NORTH CAROLINA
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2010**

| | Budget | 2010 Actual | Variance Favorable (Unfavorable) |
|---|--------------------|--------------------|--|
| REVENUES: | | | |
| Ad Valorem Taxes: | | | |
| Taxes | \$7,508,739 | \$7,566,004 | \$57,265 |
| Penalties and Interest | 130,000 | 177,982 | 47,982 |
| Total Ad Valorem Taxes | \$7,638,739 | \$7,743,986 | \$105,247 |
| Local Option Sales Taxes: | | | |
| Article 39 | \$655,626 | \$549,827 | (\$105,799) |
| Article 40 | 1,217,298 | 1,013,387 | (203,911) |
| Article 42 | 646,640 | 570,163 | (76,477) |
| Article 44 | 45,000 | (16,029) | (61,029) |
| Total Local Option Sales Taxes | \$2,564,564 | \$2,117,348 | (\$447,216) |
| Other Taxes and Licenses: | | | |
| Real Estate Transfer Tax | \$41,000 | \$45,113 | \$4,113 |
| Privilege Licenses | 500 | 530 | 30 |
| Total Other Taxes and Licenses | \$41,500 | \$45,643 | \$4,143 |
| Unrestricted Intergovernmental Revenue: | | | |
| Beer & Wine Tax | \$80,000 | \$26,915 | (\$53,085) |
| Restricted Intergovernmental Revenue: | | | |
| State and Federal Grants | \$5,604,644 | \$4,964,978 | (\$639,666) |
| GTP Loans & Loan Repayments | 170,846 | 20,647 | (150,199) |
| Controlled Substance Tax | | 18,868 | 18,868 |
| Court Facility Fees | 30,000 | 38,649 | 8,649 |
| ABC - 5 cent Bottle Tax | 3,000 | 3,848 | 848 |
| Inmate Fees & Reimbursements | 5,000 | 16,205 | 11,205 |
| Board of Education SRO Reimbursements | 31,000 | 59,466 | 28,466 |
| Total Restricted Intergovernmental Revenue | \$5,844,490 | \$5,122,661 | (\$721,829) |
| Permits and Fees: | | | |
| Building Inspection Fees | \$70,000 | \$85,888 | \$15,888 |
| Concealed Weapon Fees & Gun Permits | 10,000 | 8,086 | (1,914) |
| Register of Deeds | 53,500 | 66,270 | 12,770 |
| Cable TV Fees | 10,000 | 10,535 | 535 |
| Building/Other Permits and Fees | 203,500 | 72,977 | (130,523) |
| Total Permits & Fees | \$347,000 | \$243,756 | (\$103,244) |

GREENE COUNTY, NORTH CAROLINA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2010

| | Budget | 2010 Actual | Variance Favorable (Unfavorable) |
|-------------------------------------|---------------------|---------------------|--|
| Sales and Services: | | | |
| Jail and Officer Fees | \$244,000 | \$246,920 | \$2,920 |
| Ambulance and EMS Fees | 1,025,643 | 884,097 | (141,546) |
| Recreation Fees | 64,100 | 77,374 | 13,274 |
| Senior Center Meals | 2,676 | 2,194 | (482) |
| Municipal Tax Collection Fee | 1,000 | 3,385 | 2,385 |
| Copier and Vending Machines | 3,500 | 5,308 | 1,808 |
| Rents | 10,100 | 6,132 | (3,968) |
| Total Sales & Services | \$1,351,019 | \$1,225,410 | (\$125,609) |
| Total Investment Earnings | \$43,300 | \$4,779 | (\$38,521) |
| Other Revenues: | | | |
| Gasoline Tax Refund | \$15,000 | \$14,806 | (\$194) |
| United Way Receipts - Senior Center | 8,203 | 6,882 | (1,321) |
| Sweet Potato Festival | 33,000 | 29,829 | (3,171) |
| Miscellaneous | 14,597 | 48,600 | 34,003 |
| Total Other Revenues | \$70,800 | \$100,117 | \$29,317 |
| TOTAL REVENUES | \$17,981,412 | \$16,630,615 | (\$1,350,797) |
| EXPENDITURES: | | | |
| General Government: | | | |
| Governing Body: | | | |
| Salaries & Employee Benefits | \$25,661 | \$25,660 | \$1 |
| Operating Expenses | 60,737 | 59,886 | 851 |
| Insurance Other Than Property | 224,758 | 228,188 | (3,430) |
| | \$311,156 | \$313,734 | (\$2,578) |
| Administration: | | | |
| Salaries and Employee Benefits | \$60,079 | \$78,943 | (\$18,864) |
| Operating Expenses | 218,144 | 178,768 | 39,376 |
| | \$278,223 | \$257,711 | \$20,512 |
| Elections: | | | |
| Salaries & Employee Benefits | \$88,562 | \$78,585 | \$9,977 |
| Operating Expenses | 90,977 | 54,515 | 36,462 |
| | \$179,539 | \$133,100 | \$46,439 |
| Finance: | | | |
| Salaries & Employee Benefits | \$291,769 | \$290,991 | \$778 |
| Operating Expenses | 69,449 | 70,039 | (590) |
| | \$361,218 | \$361,030 | \$188 |

**GREENE COUNTY, NORTH CAROLINA
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2010**

| | Budget | 2010 Actual | Variance Favorable (Unfavorable) |
|-------------------------------------|--------------------|------------------------|---|
| Taxes: | | | |
| Salaries & Employee Benefits | \$323,616 | \$323,202 | \$414 |
| Operating Expenses | 146,900 | 128,652 | 18,248 |
| | \$470,516 | \$451,854 | \$18,662 |
| Register of Deeds: | | | |
| Salaries & Employee Benefits | \$133,491 | \$131,421 | \$2,070 |
| Operating Expenses | 62,860 | 57,690 | 5,170 |
| | \$196,351 | \$189,111 | \$7,240 |
| Public Buildings: | | | |
| Salaries & Employee Benefits | \$125,004 | \$124,989 | \$15 |
| Operating Expenses | 244,998 | 241,840 | 3,158 |
| | \$370,002 | \$366,829 | \$3,173 |
| Court Facilities: | | | |
| Operating Expenses | \$19,700 | \$18,846 | \$854 |
| TOTAL GENERAL GOVERNMENT | \$2,186,705 | \$2,092,215 | \$94,490 |
| Public Safety: | | | |
| Sheriff Department: | | | |
| Salaries & Employee Benefits | \$1,383,987 | \$1,385,030 | (\$1,043) |
| Operating Expenses | 313,151 | 286,627 | 26,524 |
| Capital Outlay | 69,878 | 69,790 | 88 |
| | \$1,767,016 | \$1,741,447 | \$25,569 |
| County Jail: | | | |
| Salaries & Employee Benefits | \$339,223 | \$339,223 | |
| Operating Expenses | 336,225 | 345,951 | (\$9,726) |
| | \$675,448 | \$685,174 | (\$9,726) |
| Inspections: | | | |
| Salaries & Employee Benefits | \$145,134 | \$144,870 | \$264 |
| Operating Expenses | 19,048 | 17,692 | 1,356 |
| | \$164,182 | 162,562 | \$1,620 |
| Emergency Management: | | | |
| Salaries & Employee Benefits | \$62,725 | \$56,040 | \$6,685 |
| Operating Expenses | 72,858 | 70,802 | 2,056 |
| Aid to Fire Districts | 58,000 | 58,000 | |
| Greene County Firemen's Association | 5,000 | 5,000 | |
| | \$198,583 | \$189,842 | \$8,741 |

GREENE COUNTY, NORTH CAROLINA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2010

| | <u>Budget</u> | <u>2010 Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|--------------------|------------------------|---|
| Emergency Medical Services: | | | |
| Salaries & Employee Benefits | \$621,994 | \$623,554 | (\$1,560) |
| Operating Expenses | 415,492 | 367,312 | 48,180 |
| Aid to Rescue Districts | 48,800 | 48,800 | |
| Capital Outlay | 2,537 | 2,537 | |
| | \$1,088,823 | \$1,042,203 | \$46,620 |
| Medical Examiner: | | | |
| Operating Expenses | \$6,100 | \$6,100 | |
| TOTAL PUBLIC SAFETY | \$3,900,152 | \$3,827,328 | \$72,824 |
| Environmental Protection: | | | |
| Forest Fire Prevention: | | | |
| County Matching to State | \$57,401 | \$36,163 | \$21,238 |
| TOTAL ENVIRONMENTAL PROTECTION | \$57,401 | \$36,163 | \$21,238 |
| Economic & Physical Development: | | | |
| Agricultural Extension: | | | |
| Salaries & Employee Benefits | \$1,100 | \$1,099 | \$1 |
| Operating Expenses | 3,859 | 1,117 | 2,742 |
| | \$4,959 | \$2,216 | \$2,743 |
| Soil Conservation Services: | | | |
| Salaries & Employee Benefits | \$133,498 | \$133,475 | \$23 |
| Operating Expenses | 15,812 | 15,563 | 249 |
| | \$149,310 | \$149,038 | \$272 |
| Economic Development: | | | |
| Salaries & Employee Benefits | \$76,104 | \$76,207 | (\$103) |
| Operating Expenses | 54,773 | 47,412 | 7,361 |
| Business Incentives | 6,000 | | 6,000 |
| | \$136,877 | \$123,619 | \$13,258 |
| TOTAL ECONOMIC & PHYSICAL DEVELOPMENT | \$291,146 | \$274,873 | \$16,273 |
| Human Services: | | | |
| Public Health: | | | |
| Administration: | | | |
| Salaries & Employee Benefits | \$1,345,233 | \$1,298,443 | \$46,790 |
| Operating Expenses | 572,422 | 507,879 | 64,543 |
| Clinic and Consulting Fees | 64,187 | 55,626 | 8,561 |
| Capital Outlay | 32,675 | 32,674 | 1 |
| | \$2,014,517 | \$1,894,622 | \$119,895 |

**GREENE COUNTY, NORTH CAROLINA
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2010**

| | Budget | 2010 Actual | Variance Favorable (Unfavorable) |
|--------------------------------------|--------------------|------------------------|---|
| Mental Health: | | | |
| Wilson - Greene Mental Health Center | \$61,218 | | \$61,218 |
| ABC Funds - Addictions Program | 3,000 | \$2,700 | 300 |
| | \$64,218 | \$2,700 | \$61,518 |
| 4H: | | | |
| Salaries & Employee Benefits | \$18,950 | \$10,183 | \$8,767 |
| Operating Expenses | 2,850 | 2,107 | 743 |
| | \$21,800 | \$12,290 | \$9,510 |
| SOS Grant: | | | |
| Salaries & Employee Benefits | \$105,000 | \$91,168 | \$13,832 |
| Operating Expenses | 17,300 | 14,959 | 2,341 |
| | \$122,300 | \$106,127 | \$16,173 |
| Social Services: | | | |
| Administration: | | | |
| Salaries & Employee Benefits | \$1,923,242 | \$1,845,159 | \$78,083 |
| Operating Expenses | 159,700 | 139,756 | 19,944 |
| | \$2,082,942 | \$1,984,915 | \$98,027 |
| Adoption Assistance | \$55,157 | \$44,476 | \$10,681 |
| TANF Program: | | | |
| Work First Temporary Assistance | \$6,500 | \$5,000 | \$1,500 |
| Domestic Violence | 9,996 | 7,175 | 2,821 |
| Emergency Assistance | 15,000 | 12,981 | 2,019 |
| Foster Care | 274,358 | 274,332 | 26 |
| Emergency Employment | 358,165 | 40,535 | 317,630 |
| | \$664,019 | \$340,023 | \$323,996 |
| Blind Assistance | \$2,197 | \$636 | \$1,561 |
| Energy: | | | |
| Carolina Power and Light Crisis Fund | \$3,048 | \$2,681 | \$367 |
| Day Care: | | | |
| County Participation | \$887,290 | \$817,898 | \$69,392 |
| Smart Start | 109,390 | 109,356 | 34 |
| | \$996,680 | \$927,254 | \$69,426 |
| Adoption Incentive | \$3,500 | | \$3,500 |
| Crisis LIEAP | \$130,261 | \$123,460 | \$6,801 |
| Program Expenses | \$30,000 | \$19,622 | \$10,378 |
| Child Support Enforcement | \$14,150 | \$11,644 | \$2,506 |

GREENE COUNTY, NORTH CAROLINA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2010

| | Budget | 2010 Actual | Variance Favorable (Unfavorable) |
|---|--------------------|--------------------|--|
| Food and Nutrition | \$161,579 | \$136,198 | \$25,381 |
| Food and Nutrition Administration Funds | \$58,107 | \$8,552 | \$49,555 |
| Food Stamps | \$8,498 | \$7,810 | \$688 |
| General Assistance | \$10,500 | \$6,883 | \$3,617 |
| Independent Living | \$350 | \$350 | |
| Work First Job Program | \$72,250 | \$56,752 | \$15,498 |
| Medical Assistance | \$135,000 | \$127,477 | \$7,523 |
| Neuse River-In Home Care | \$57,473 | \$49,470 | \$8,003 |
| Special Assistance-Adults | \$285,220 | \$282,784 | \$2,436 |
| Title XX Legal Expense | \$25,000 | \$19,541 | \$5,459 |
| Foster Care | \$12,250 | \$11,294 | \$956 |
| <i>Total Social Services</i> | <i>\$4,808,181</i> | <i>\$4,161,822</i> | <i>\$646,359</i> |
| Veterans Service Officer: | | | |
| Salaries & Employee Benefits | \$22,382 | \$22,381 | \$1 |
| Operating Expenses | 4,283 | 3,966 | 317 |
| | \$26,665 | \$26,347 | \$318 |
| Youth Services: | | | |
| Operating Expenses | \$81,833 | \$82,221 | (\$388) |
| | \$81,833 | \$82,221 | (\$388) |
| Senior Services: | | | |
| Salaries & Employee Benefits | \$99,605 | \$90,816 | \$8,789 |
| Operating Expenses | 135,702 | 135,038 | 664 |
| Capital Outlay | 19,750 | 19,750 | |
| | \$255,057 | \$245,604 | \$9,453 |
| TOTAL HUMAN SERVICES | \$7,394,571 | \$6,531,733 | \$862,838 |
| Culture and Recreation: | | | |
| Regional Library: | | | |
| County Matching Share | \$131,000 | \$131,000 | |

GREENE COUNTY, NORTH CAROLINA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2010

| | Budget | 2010 Actual | Variance Favorable (Unfavorable) |
|--|---------------------|---------------------|--|
| Recreation: | | | |
| Salaries & Employee Benefits | \$120,147 | \$120,477 | (\$330) |
| Operating Expenses | 126,091 | 130,508 | (4,417) |
| Capital Outlay | 25,541 | 24,183 | 1,358 |
| | \$271,779 | \$275,168 | (\$3,389) |
| Sweet Potato Festival | \$33,000 | \$41,095 | (\$8,095) |
| TOTAL CULTURE AND RECREATION | \$435,779 | \$447,263 | (\$11,484) |
| Education: | | | |
| Public Schools: | | | |
| Current Expense - Local | \$2,247,000 | \$2,247,000 | |
| Capital Outlay - Local | 511,841 | 404,783 | \$107,058 |
| | \$2,758,841 | \$2,651,783 | \$107,058 |
| Community College: | | | |
| Local Appropriation | \$240,000 | \$240,000 | |
| Operating Expenses | 5,000 | 5,000 | |
| | \$245,000 | \$245,000 | |
| TOTAL EDUCATION | \$3,003,841 | \$2,896,783 | \$107,058 |
| Debt Service: | | | |
| Principal Retirement | \$222,693 | \$222,574 | \$119 |
| Interest | 40,659 | 40,567 | 92 |
| TOTAL DEBT SERVICE | \$263,352 | \$263,141 | \$211 |
| TOTAL EXPENDITURES | \$17,532,947 | \$16,369,499 | \$1,163,448 |
| Excess Revenues Over (Under) Expenditures | \$448,465 | \$261,116 | (\$187,349) |

GREENE COUNTY, NORTH CAROLINA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2010

| | <u>Budget</u> | <u>2010 Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|--------------------|------------------------|---|
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers To Other Funds | (\$702,733) | (\$711,261) | (\$8,528) |
| Sale of Fixed Assets | 5,000 | | (5,000) |
| Fund Balance Appropriated | 249,268 | | (249,268) |
| <i>Total Other Financing Sources (Uses)</i> | <u>(\$448,465)</u> | <u>(\$711,261)</u> | <u>(\$262,796)</u> |
| <i>Revenue and Other Financing Sources Over (Under) Expenditures and Other Uses</i> | <u>\$0</u> | <u>(\$450,145)</u> | <u>(\$450,145)</u> |
| FUND BALANCES | | | |
| Beginning of Year, July 1 | | 6,436,656 | |
| FUND BALANCE, Ending | | <u>\$5,986,511</u> | |

GREENE COUNTY, NORTH CAROLINA
JAIL CONSTRUCTION CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2010

| | Project Authorization | Actual | | Total To Date | Variance Favorable (Unfavorable) |
|--|--------------------------|----------------------|----------------------|----------------------|--|
| | | Prior Years | Current Year | | |
| REVENUES: | | | | | |
| Investment Earnings | | \$2,301 | \$27,167 | \$29,468 | \$29,468 |
| Total Revenues | \$0 | \$2,301 | \$27,167 | \$29,468 | \$29,468 |
| EXPENDITURES: | | | | | |
| Administration & Legal | \$19,003 | \$46,056 | \$1,311 | \$47,367 | (\$28,364) |
| Architectural & Engineering | 1,471,104 | 1,056,167 | 73,310 | 1,129,477 | 341,627 |
| Construction | 7,853,968 | 206,602 | 5,393,543 | 5,600,145 | 2,253,823 |
| Equipment | 200,000 | | 6,180 | 6,180 | 193,820 |
| Inspection | | | 65,377 | 65,377 | (65,377) |
| Owner's Rep Contract | 130,000 | | 83,241 | 83,241 | 46,759 |
| Miscellaneous | 445,725 | | 284,160 | 284,160 | 161,565 |
| Contingency | 360,000 | | | | 360,000 |
| Capital Outlay | 20,200 | | 20,144 | 20,144 | 56 |
| Total Expenditures | \$10,500,000 | \$1,308,825 | \$5,927,266 | \$7,236,091 | \$3,263,909 |
| Revenues Over (Under) Expenditures | (\$10,500,000) | (\$1,306,524) | (\$5,900,099) | (\$7,206,623) | \$3,293,377 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Temporary Financing Issued for USDA | | | | \$10,500,000 | |
| Installment Purchase Obligations Issued | \$10,500,000 | \$10,500,000 | | | |
| Total Other Financing Sources | \$10,500,000 | \$10,500,000 | \$0 | \$10,500,000 | \$0 |
| Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Sources | \$0 | \$9,193,476 | (\$5,900,099) | \$3,293,377 | \$3,293,377 |
| FUND BALANCE, Beginning | | | 9,193,476 | | |
| FUND BALANCE, Ending | | | \$3,293,377 | | |

COMBINING STATEMENTS FOR NON-MAJOR FUNDS

Special Revenue Funds

- *Fire District Funds* – These funds account for the County's collection of tax revenue and related expenditures for each of the eleven fire districts.
- *Property Revaluation Fund* – The County uses this fund to set aside money each year to pay for the revaluation for tax purposes of real property every eight years.
- *Emergency Telephone System Fund* – This fund accounts for the 911 revenues collected by the telephone industry to fund the 911 emergency system.
- *2006 Community Development Block Grant Project Fund* – This fund accounts for the revenues and expenses associated with various community revitalization projects.
- *Yamco Expansion Project Fund* – This fund accounts for the revenues and expenses associated with the rural center grant fund to be used locally for industrial rehabilitation.
- *2009 Community Development Block Grant Project Fund* – This fund accounts for the revenues and expenses associated with various community revitalization projects.

Capital Projects Funds

- *School Capital Finance Fund* – The County uses this fund to account for the construction/improvement of the Schools.
- *Recreation Park Project Fund* - The County uses this fund to account for the construction of a new parks and recreation facility.
- *American Prawn Cooperative Project Fund* – The County uses this fund to account for the construction of a new building for economic innovation to harvest and process prawns.

GREENE COUNTY, NORTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2010

| | Special Revenue Funds | | | | |
|---|---------------------------|---------------------------------|--|---------------------------------|---------------------------------|
| | Fire District Funds | Property Revaluation Fund | Emergency Telephone System Fund | 2006 CDBG Project Fund | 2009 CDBG Project Fund |
| <u>ASSETS</u> | | | | | |
| Cash and Investments | \$587 | \$222,458 | \$784,700 | \$1,383 | |
| Accounts Receivable | 83 | | 22,165 | | |
| Due From Other Governments | | | | | \$120,211 |
| Due From Other Funds | 5,012 | | | | |
| Taxes Receivable, Net | 39,362 | | | | |
| TOTAL ASSETS | \$45,044 | \$222,458 | \$806,865 | \$1,383 | \$120,211 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$4,664 | \$5 | \$287 | \$1,383 | \$97,211 |
| Deferred Revenue | 40,380 | | | | |
| Due to Other Funds | | | | | 23,000 |
| Total Liabilities | \$45,044 | \$5 | \$287 | \$1,383 | \$120,211 |
| Fund Balances: | | | | | |
| Reserved by State Statute | | | \$22,165 | | |
| Designated for Subsequent Year's Expenditure | | \$222,453 | 784,413 | | |
| Total Fund Balances | \$0 | \$222,453 | \$806,578 | \$0 | \$0 |
| TOTAL LIABILITIES AND FUND BALANCES | \$45,044 | \$222,458 | \$806,865 | \$1,383 | \$120,211 |

| Total Non-major Special Revenue Funds | Capital Project Funds | | | Total Non-major Capital Projects Funds | Total Non-major Governmental Funds |
|---|--------------------------------------|---------------------------------------|--|--|---|
| | School Capital Finance Fund | Recreation Park Project Fund | American Prawn Cooperative Project Fund | | |
| \$1,009,128 | \$880 | \$738,022 | \$50,956 | \$789,858 | \$1,798,986 |
| 22,248 | | | | | 22,248 |
| 120,211 | | | \$1,959 | 1,959 | 122,170 |
| 5,012 | | | | | 5,012 |
| 39,362 | | | | | 39,362 |
| \$1,195,961 | \$880 | \$738,022 | \$52,915 | \$791,817 | \$1,987,778 |
| \$103,550 | | | | | \$103,550 |
| 40,380 | | | | | 40,380 |
| 23,000 | | \$738,022 | \$29,727 | \$767,749 | 790,749 |
| \$166,930 | \$0 | \$738,022 | \$29,727 | \$767,749 | \$934,679 |
| \$22,165 | | | | | \$22,165 |
| 1,006,866 | \$880 | | \$23,188 | \$24,068 | 1,030,934 |
| \$1,029,031 | \$880 | \$0 | \$23,188 | \$24,068 | \$1,053,099 |
| \$1,195,961 | \$880 | \$738,022 | \$52,915 | \$791,817 | \$1,987,778 |

GREENE COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For The Fiscal Year Ended June 30, 2010

| | Special Revenue Funds | | | | |
|---|------------------------------------|--|--|---|---|
| | Fire District Funds | Property Revaluation Fund | Emergency Telephone System Fund | 2006 CDBG Project Fund | 2009 CDBG Project Fund |
| REVENUES: | | | | | |
| Ad Valorem Taxes | \$574,032 | | | | |
| Restricted Intergovernmental | | | \$266,169 | \$101,649 | \$148,211 |
| Investment Earnings | | \$295 | 1,204 | | |
| Miscellaneous | | | | | |
| Total Revenues | \$574,032 | \$295 | \$267,373 | \$101,649 | \$148,211 |
| EXPENDITURES: | | | | | |
| Public Safety | \$574,032 | | \$129,639 | | |
| Economic Development | | | | \$101,649 | \$148,211 |
| Capital Outlay | | | 36,022 | | |
| Total Expenditures | \$574,032 | \$0 | \$165,661 | \$101,649 | \$148,211 |
| Revenues Over (Under) Expenditures | \$0 | \$295 | \$101,712 | \$0 | \$0 |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Operating Transfer In (Out) | | \$45,000 | | | |
| Principal Retirement | | | | | |
| Interest on Long-Term Debt | | | | | |
| Total Other Financing Sources (Uses) | \$0 | \$45,000 | \$0 | \$0 | \$0 |
| Revenues and Other Financing Sources Over (Under) Expenditures | \$0 | \$45,295 | \$101,712 | \$0 | \$0 |
| FUND BALANCES: | | | | | |
| <i>Beginning of Year, July 1</i> | | \$177,158 | \$704,866 | | |
| End of Year, June 30 | \$0 | \$222,453 | \$806,578 | \$0 | \$0 |

| Total Nonmajor Special Revenue Funds | Capital Project Funds | | | Total Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|--------------------------------------|---------------------------------------|--|---|--|
| | School Capital Finance Fund | Recreation Park Project Fund | American Prawn Cooperative Project Fund | | |
| \$574,032 | | | | | \$574,032 |
| 516,029 | \$561,334 | | \$219,677 | \$781,011 | 1,297,040 |
| 1,499 | | | | | 1,499 |
| | | | 47,777 | 47,777 | 47,777 |
| \$1,091,560 | \$561,334 | \$0 | \$267,454 | \$828,788 | \$1,920,348 |
| \$703,671 | | | | | \$703,671 |
| 249,860 | | | \$244,266 | \$244,266 | 494,126 |
| 36,022 | \$561,334 | | | 561,334 | 597,356 |
| \$989,553 | \$561,334 | \$0 | \$244,266 | \$805,600 | \$1,795,153 |
| \$102,007 | \$0 | \$0 | \$23,188 | \$23,188 | \$125,195 |
| \$45,000 | \$241,332 | \$13,828 | | \$255,160 | \$300,160 |
| | (221,964) | | | (221,964) | (221,964) |
| | (19,368) | | | (19,368) | (19,368) |
| \$45,000 | \$0 | \$13,828 | \$0 | \$13,828 | \$58,828 |
| \$147,007 | \$0 | \$13,828 | \$23,188 | \$37,016 | \$184,023 |
| \$882,024 | \$880 | (\$13,828) | | (\$12,948) | \$869,076 |
| \$1,029,031 | \$880 | \$0 | \$23,188 | \$24,068 | \$1,053,099 |

GREENE COUNTY, NORTH CAROLINA
FIRE DISTRICT FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For The Fiscal Year Ended June 30, 2010

| | <u>Annual Budget</u> | <u>2010 Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|-----------------------------------|--------------------------|------------------------|---|
| REVENUES: | | | |
| Ad Valorem Taxes - Current Year | \$607,127 | \$546,736 | (\$60,391) |
| Ad Valorem Taxes - Prior Years | | 27,296 | 27,296 |
| Total Revenues | \$607,127 | \$574,032 | (\$33,095) |
| EXPENDITURES: | | | |
| <i>Public Safety:</i> | | | |
| Bull Head Fire District | \$42,402 | \$41,155 | \$1,247 |
| Rainbow Fire District | 60,015 | 58,784 | 1,231 |
| Maury Fire District | 71,976 | 67,496 | 4,480 |
| Shine Fire District | 65,227 | 59,854 | 5,373 |
| Arba Fire District | 48,102 | 45,917 | 2,185 |
| Little Creek Fire District | 42,060 | 38,730 | 3,330 |
| Contentnea Fire District | 75,616 | 71,990 | 3,626 |
| Fort Run Fire District | 37,827 | 34,650 | 3,177 |
| Jason Fire District | 46,192 | 45,102 | 1,090 |
| Castoria Fire District | 61,012 | 56,608 | 4,404 |
| Speight's Bridge Fire District | 56,698 | 53,746 | 2,952 |
| Total Expenditures | \$607,127 | \$574,032 | \$33,095 |
| Revenues Over Expenditures | \$0 | \$0 | \$0 |
| FUND BALANCE, Beginning | | | |
| FUND BALANCE, Ending | | \$0 | |

GREENE COUNTY, NORTH CAROLINA
PROPERTY REVALUATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2010

| | Annual Budget | 2010 Actual | Variance Favorable (Unfavorable) |
|---|-------------------|------------------|--|
| REVENUES: | | | |
| Investment Earnings | \$5,000 | \$295 | (\$4,705) |
| Total Revenues | \$5,000 | \$295 | (\$4,705) |
| EXPENDITURES: | | | |
| Current: | | | |
| General Government: | | | |
| Tax Revaluation | \$50,000 | | \$50,000 |
| Total Expenditures | \$50,000 | \$0 | \$50,000 |
| Revenues Over (Under) Expenditures | (\$45,000) | \$295 | \$45,295 |
| OTHER FINANCING SOURCES | | | |
| Operating Transfers In | \$45,000 | \$45,000 | |
| Total Other Financing Sources | \$45,000 | \$45,000 | \$0 |
| Revenues Over (Under) Expenditures and Other Financing Sources | \$0 | \$45,295 | \$45,295 |
| | | | |
| FUND BALANCE, Beginning | | 177,158 | |
| FUND BALANCE, Ending | | \$222,453 | |

GREENE COUNTY, NORTH CAROLINA
EMERGENCY TELEPHONE SYSTEM FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2010

| | <u>Annual Budget</u> | <u>2010 Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|--------------------------|------------------------|---|
| REVENUES: | | | |
| Restricted Intergovernmental: | | | |
| PSAP Collections | \$266,172 | \$266,169 | (\$3) |
| Investment Earnings | | 1,204 | 1,204 |
| Total Revenues | \$266,172 | \$267,373 | \$1,201 |
| EXPENDITURES: | | | |
| <i>Public Safety:</i> | | | |
| Operating Expenses | \$230,272 | \$129,639 | \$100,633 |
| Capital Outlay | 35,900 | 36,022 | (122) |
| Total Expenditures | \$266,172 | \$165,661 | \$100,511 |
| Revenues Over (Under) Expenditures | \$0 | \$101,712 | \$101,712 |
| <i>Fund Balance, Beginning</i> | | 704,866 | |
| <i>Fund Balance, Ending</i> | | \$806,578 | |

GREENE COUNTY, NORTH CAROLINA

2006 COMMUNITY DEVELOPMENT BLOCK GRANT PROJECT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

From Inception and For The Fiscal Year Ended June 30, 2010

| | <u>Project Authorization</u> | <u>Prior Years</u> | <u>Actual Current Year</u> | <u>Total to Date</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|----------------------------------|------------------------|------------------------------------|--------------------------|---|
| REVENUES: | | | | | |
| Restricted Intergovernmental: Community Development Block Grant | \$400,000 | \$354,927 | \$101,649 | \$456,576 | \$56,576 |
| Total Revenues | \$400,000 | \$354,927 | \$101,649 | \$456,576 | \$56,576 |
| EXPENDITURES: | | | | | |
| <i>Economic Development:</i> | | | | | |
| Rehabilitation | \$220,000 | \$218,019 | \$2,013 | \$220,032 | (\$32) |
| Relocation | 140,000 | 98,285 | 99,510 | 197,795 | (57,795) |
| Administration | 33,000 | 32,175 | 126 | 32,301 | 699 |
| Clearance | 7,000 | 6,448 | | 6,448 | 552 |
| Total Expenditures | \$400,000 | \$354,927 | \$101,649 | \$456,576 | (\$56,576) |
| Revenues Over (Under) Expenditures | \$0 | \$0 | \$0 | \$0 | \$0 |
| <i>FUND BALANCE, Beginning</i> | | | | | |
| FUND BALANCE, Ending | | | \$0 | | |

GREENE COUNTY, NORTH CAROLINA
YAMCO EXPANSION PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2010

| | <u>Project Authorization</u> | <u>Prior Years</u> | <u>Actual Current Year</u> | <u>Total to Date</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|----------------------------------|------------------------|------------------------------------|--------------------------|---|
| REVENUES: | | | | | |
| Restricted Intergovernmental: | | | | | |
| Rural Center Grant | \$282,728 | \$282,728 | | \$282,728 | |
| NC Commerce - One NC | 110,000 | 82,500 | | 82,500 | (\$27,500) |
| NC Eastern Region | 50,000 | 37,500 | | 37,500 | (12,500) |
| Other: | | | | | |
| Progress Energy | 5,000 | | | | (5,000) |
| County Match - Rural Center | 7,068 | | | | (7,068) |
| County Match - NC Commerce | 50,000 | 50,000 | | 50,000 | |
| County Match - Progress Energy | 5,000 | | | | (5,000) |
| Total Revenues | \$509,796 | \$452,728 | \$0 | \$452,728 | (\$57,068) |
| EXPENDITURES: | | | | | |
| <i>Economic Development:</i> | | | | | |
| Building & Retrofitting | \$289,796 | \$326,364 | | \$326,364 | (\$36,568) |
| Machinery & Equipment | 220,000 | 126,364 | | 126,364 | 93,636 |
| Total Expenditures | \$509,796 | \$452,728 | \$0 | \$452,728 | \$57,068 |
| Revenues Over (Under) Expenditures | \$0 | \$0 | \$0 | \$0 | \$0 |
| <i>FUND BALANCE, Beginning</i> | | | | | |
| FUND BALANCE, Ending | | | \$0 | | |

GREENE COUNTY, NORTH CAROLINA
2009 COMMUNITY DEVELOPMENT BLOCK GRANT PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2010

| | <u>Project Authorization</u> | <u>Prior Years</u> | <u>Actual Current Year</u> | <u>Total to Date</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|----------------------------------|------------------------|------------------------------------|--------------------------|---|
| REVENUES: | | | | | |
| Restricted Intergovernmental: | | | | | |
| 2009 - 09-C-1994 Community Development Block Grant | \$339,000 | | \$53,096 | \$53,096 | (\$285,904) |
| 2008 Single Family Rehabilitation Community Development Block Grant | 200,000 | | 95,115 | 95,115 | (104,885) |
| Total Revenues | \$539,000 | \$0 | \$148,211 | \$148,211 | (\$390,789) |
| EXPENDITURES: | | | | | |
| <i>Economic Development:</i> | | | | | |
| 2009 Community Development Block Grant | | | | | |
| Clearance | \$15,000 | | \$3,630 | \$3,630 | \$11,370 |
| Relocation | 134,000 | | 20,416 | 20,416 | 113,584 |
| Rehabilitation | 150,000 | | 25,050 | 25,050 | 124,950 |
| Administration | 40,000 | | 4,000 | 4,000 | 36,000 |
| Total 2009 Community Development Block Grant | \$339,000 | \$0 | \$53,096 | \$53,096 | \$285,904 |
| 2008 Community Development Block Grant | | | | | |
| Rehabilitation Hard Costs | \$160,000 | | \$77,290 | \$77,290 | \$82,710 |
| Rehabilitation Soft Costs | 24,000 | | 17,825 | 17,825 | 6,175 |
| Administration | 16,000 | | | | 16,000 |
| Total 2008 Single Family Rehab | \$200,000 | \$0 | \$95,115 | \$95,115 | \$104,885 |
| Total Expenditures | \$539,000 | \$0 | \$148,211 | \$148,211 | \$390,789 |
| Revenues Over (Under) Expenditures | \$0 | \$0 | \$0 | \$0 | \$0 |
| <i>FUND BALANCE, Beginning</i> | | | | | |
| FUND BALANCE, Ending | | | \$0 | | |

GREENE COUNTY, NORTH CAROLINA
SCHOOL CAPITAL FINANCE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2010

| | <u>Annual Budget</u> | <u>2010 Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|--------------------------|------------------------|---|
| REVENUES: | | | |
| <i>Reserved for Debt Service:</i> | | | |
| Public School Building Capital Fund - Lottery | \$561,334 | \$561,334 | |
| Total Revenues | <u>\$561,334</u> | <u>\$561,334</u> | <u>\$0</u> |
| EXPENDITURES: | | | |
| School Capital Projects - Lottery | \$561,334 | \$561,334 | |
| Total Expenditures | <u>\$561,334</u> | <u>\$561,334</u> | <u>\$0</u> |
| Revenues Over Expenditures | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfer from General Fund | \$241,332 | \$241,332 | |
| Interest on Long-Term Debt | (19,350) | (19,368) | (\$18) |
| Principal Payments | (221,982) | (221,964) | 18 |
| Total Other Financing Sources | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Sources | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| FUND BALANCE, Beginning | | <u>880</u> | |
| FUND BALANCE, Ending | | <u>\$880</u> | |

**GREENE COUNTY, NORTH CAROLINA
RECREATION PARK PROJECT FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
From Inception and For the Fiscal Year Ended June 30, 2010**

| | <u>Project Authorization</u> | <u>Prior Years</u> | <u>Actual Current Year</u> | <u>Total To Date</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|----------------------------------|------------------------|------------------------------------|--------------------------|---|
| REVENUES: | | | | | |
| PART F - Phase 1 Grant | \$340,837 | \$340,837 | | \$340,837 | |
| PART F - Phase 2 Grant | 350,000 | 350,000 | | 350,000 | |
| LWCF Grant | 91,426 | 91,426 | | 91,426 | |
| Recreation Trails Grant | 41,900 | 41,900 | | 41,900 | |
| Additional Local Contribution | 150,000 | 154,500 | | 154,500 | \$4,500 |
| Investment Earnings | | 168 | | 168 | 168 |
| Total Revenues | \$974,163 | \$978,831 | \$0 | \$978,831 | \$4,668 |
| EXPENDITURES: | | | | | |
| Site Improvements | \$1,124,337 | \$1,122,777 | | \$1,122,777 | \$1,560 |
| Concession Stand | 95,852 | 95,852 | | 95,852 | |
| Bleachers, Picnic Shelter, Goals & Benches | 31,299 | 32,199 | | 32,199 | (900) |
| Playground Equipment | 25,214 | 25,214 | | 25,214 | |
| Irrigation System | 17,000 | 15,168 | | 15,168 | 1,832 |
| Cross County Trails | 8,000 | 157 | | 157 | 7,843 |
| Engineering CN1 | 105,052 | 111,964 | | 111,964 | (6,912) |
| Inspection | 70,000 | 43,309 | | 43,309 | 26,691 |
| Survey/Land & Easement Acquisition | 8,794 | 7,194 | | 7,194 | 1,600 |
| Archaeologist | 4,128 | | | | 4,128 |
| Land Purchases | 308,600 | | | | 308,600 |
| Appraisals | 3,500 | | | | 3,500 |
| Grant Applications | 13,750 | | | | 13,750 |
| Early College | 31,306 | 26,839 | | 26,839 | 4,467 |
| Contingency | 22,329 | 13,828 | | 13,828 | 8,501 |
| Total Expenditures | \$1,869,161 | \$1,494,501 | \$0 | \$1,494,501 | \$374,660 |
| Revenues Over (Under) Expenditures | (\$894,998) | (\$515,670) | \$0 | (\$515,670) | \$379,328 |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfer From General Fund: | | | | | |
| PART F - Phase 2 Match | \$245,000 | \$235,628 | \$13,828 | \$249,456 | \$4,456 |
| PART F - Phase 1 Match | 32,237 | | | | (32,237) |
| Land Construction - Phase 2 Match | 308,600 | | | | (308,600) |
| Early College Match | 31,305 | | | | (31,305) |
| Local Contribution - Phase 1 Match | 105,000 | 105,000 | | 105,000 | |
| LWCF Match | 91,426 | 91,426 | | 91,426 | |
| Recreation Trails Match | 10,498 | 10,498 | | 10,498 | |
| Other Local Contributions | 70,932 | 59,290 | | 59,290 | (11,642) |
| Total Transfers: | \$894,998 | \$501,842 | \$13,828 | \$515,670 | (\$379,328) |
| Total Other Financing Sources (Uses) | \$894,998 | \$501,842 | \$13,828 | \$515,670 | (\$379,328) |
| Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | \$0 | (\$13,828) | \$13,828 | \$0 | \$0 |
| FUND BALANCE, Beginning | | | (13,828) | | |
| FUND BALANCE, Ending | | | \$0 | | |

GREENE COUNTY, NORTH CAROLINA
AMERICAN PRAWN COOPERATIVE PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
From Inception and For the Fiscal Year Ended June 30, 2010

| | Project Authorization | Prior Years | Actual | | Variance Favorable (Unfavorable) |
|--------------------------------------|--------------------------|-----------------|------------------|------------------|--|
| | | | Current Year | Total To Date | |
| REVENUES: | | | | | |
| <i>Restricted Intergovernmental:</i> | | | | | |
| Rural Center Grant | \$300,000 | \$95,323 | \$204,677 | \$300,000 | |
| Golden Leaf Award | 50,000 | | 40,000 | 40,000 | (\$10,000) |
| APC Contribution | 8,752 | | 7,777 | 7,777 | (975) |
| NC Eastern Region Grant | 15,000 | | 15,000 | 15,000 | |
| Total Revenues | \$373,752 | \$95,323 | \$267,454 | \$362,777 | (\$10,975) |
| EXPENDITURES: | | | | | |
| Engineer Drawings | \$19,625 | \$16,000 | \$3,625 | \$19,625 | |
| Supplies | 2,966 | 977 | | 977 | \$1,989 |
| Supplies-Golden Leaf | 3,000 | | 1,435 | 1,435 | 1,565 |
| Travel | 4,000 | | 3,035 | 3,035 | 965 |
| Equipment | 16,750 | 16,750 | | 16,750 | |
| Capital Outlay | 282,411 | 61,596 | 220,107 | 281,703 | 708 |
| Live Holding System | 16,000 | | 14,043 | 14,043 | 1,957 |
| Live Hauling | 15,000 | | 2,021 | 2,021 | 12,979 |
| General Use Equipment | 4,000 | | | | 4,000 |
| Live Shipping | 8,000 | | | | 8,000 |
| Landfill Tipping Fees | 1,350 | | | | 1,350 |
| Permits | 650 | | | | 650 |
| Total Expenditures | \$373,752 | \$95,323 | \$244,266 | \$339,589 | \$34,163 |
| Revenues Over Expenditures | \$0 | \$0 | \$23,188 | \$23,188 | \$23,188 |
| FUND BALANCE, Beginning | | | | | |
| FUND BALANCE, Ending | | | | | |
| | | | \$23,188 | | |

ENTERPRISE FUNDS

The following comprise the County's Enterprise Funds:

Utility Fund – The Utility Fund is used to account for the operation of water and sewer services provided throughout Greene County.

Landfill Fund – The Landfill Fund is used to account for the operations of the County's solid waste landfill, Scrap Tire and White Goods disposal.

Transportation System Fund – The Transportation System Fund is used to account for the operation of the transportation system which provides services to certain qualifying residents.

GREENE COUNTY, NORTH CAROLINA
UTILITY FUND

STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2010

| | Budget | 2010 Actual | Variance Favorable (Unfavorable) |
|-------------------------------------|--------------------|--------------------|--|
| REVENUES: | | | |
| Charges for Services: | | | |
| Water and Sewer Sales | \$1,889,884 | \$1,908,778 | \$18,894 |
| Tap-on Fees and Service Charges | 62,953 | 66,486 | 3,533 |
| Miscellaneous | 4,000 | 29,530 | 25,530 |
| Total Operating Revenues | \$1,956,837 | \$2,004,794 | \$47,957 |
| Nonoperating Revenues: | | | |
| Investment Earnings | \$10,000 | \$1,959 | (\$8,041) |
| Alternative Water Supply Fees | 468,731 | 526,971 | 58,240 |
| Total Nonoperating Revenues | \$478,731 | \$528,930 | \$50,199 |
| Total Revenues | \$2,435,568 | \$2,533,724 | \$98,156 |
| EXPENDITURES: | | | |
| Operating: | | | |
| Salaries and Employee Benefits | \$463,166 | \$444,417 | \$18,749 |
| Supplies | 128,406 | 124,730 | 3,676 |
| Water Purchases | 2,000 | 1,527 | 473 |
| Maintenance | 156,000 | 97,410 | 58,590 |
| Contracted Services | 70,500 | 59,724 | 10,776 |
| Utilities | 157,000 | 146,408 | 10,592 |
| Sewer Charges - Town of Farmville | 160,000 | 156,062 | 3,938 |
| Office Expense | 55,600 | 60,227 | (4,627) |
| Professional Services | 55,000 | 53,231 | 1,769 |
| Management Fee - County | 25,000 | 25,000 | |
| Capital Outlay (Under Threshold) | 2,131 | 2,131 | |
| Insurance | 16,500 | 16,500 | |
| Miscellaneous | 1,000 | 473 | 527 |
| Total Operating Expenditures | \$1,292,303 | \$1,187,840 | \$104,463 |
| DEBT SERVICE: | | | |
| Interest on Long-Term Debt | \$246,869 | \$246,868 | \$1 |
| Principal Payments | 694,668 | 694,668 | |
| Total Debt Service | \$941,537 | \$941,536 | \$1 |
| CAPITAL OUTLAY: | | | |
| Equipment | \$122,869 | \$15,412 | \$107,457 |
| Total Capital Outlay | \$122,869 | \$15,412 | \$107,457 |
| Total Expenditures | \$2,356,709 | \$2,144,788 | \$211,921 |
| Revenues Over Expenditures | \$78,859 | \$388,936 | \$310,077 |

GREENE COUNTY, NORTH CAROLINA
UTILITY FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2010

| | <u>Budget</u> | <u>2010 Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|-------------------|------------------------|---|
| OTHER FINANCING SOURCES (USES): | | | |
| Operating Transfers In: | | | |
| General Fund | \$411,101 | \$411,101 | |
| Cutter Creek Sewer Construction Fund | | 105,350 | \$105,350 |
| Operating Transfers Out: | | | |
| Alternative Water Supply Fund | (468,731) | (526,971) | (58,240) |
| Capital Reserve | (21,229) | (21,229) | |
| Landfill Fund | | (29,648) | (29,648) |
| Total Other Financing Sources (Uses) | (\$78,859) | (\$61,397) | \$17,462 |
| <i>Revenues and Other Financing Sources Over (Under) Expenditures Financing Uses, and Appropriated Fund Balance</i> | \$0 | \$327,539 | \$327,539 |
| RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL BASIS: | | | |
| RECONCILING ITEMS: | | | |
| Depreciation | | (\$440,581) | |
| Principal Payments | | 694,668 | |
| Capital Outlay | | 15,412 | |
| Increase in Compensated Absences | | (3,556) | |
| Increase in Other Postemployment Benefits | | (10,705) | |
| Decrease in Accrued Interest | | 2,715 | |
| Net Income Capital Reserve Fund Excluding Transfers | | 785 | |
| Investment Earnings from Alternative Water Supply Capital Reserve Fund | | 5,022 | |
| Alternative Water Supply Meter Fees from Alternative Water Supply Capital Reserve Fund | | 323,450 | |
| Depreciation Water & Sewer District 1 | | (41,445) | |
| Administrative Expenses Water & Sewer District 1 | | (54) | |
| Transfer to Alternative Water Supply Fund | | 526,971 | |
| Transfer to Capital Reserve | | 21,229 | |
| Transfer from Cutter Creek Construction Fund | | (105,350) | |
| Investment Earnings on Alternative Water Phase 1A Project Fund | | 4,174 | |
| Contributed Capital Alternative Water Phase 1A Project Fund | | 1,234,533 | |
| Contributed Capital Alternative Water Phase 1F Project Fund | | 700,372 | |
| Investment Earnings on Alternative Water Phase 1C Project Fund | | 4,490 | |
| Investment Earnings on Cutter Creek Project Fund | | 204 | |
| Total Reconciling Items | | \$2,932,334 | |
| Net Income, Full Accrual Basis | | \$3,259,873 | |

GREENE COUNTY, NORTH CAROLINA
UTILITY CAPITAL RESERVE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
(NON -GAAP)
For the Fiscal Year Ended June 30, 2010

| | <u>Budget</u> | <u>2010 Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|---------------|------------------------|---|
| REVENUES: | | | |
| Investment Earnings | | \$785 | \$785 |
| Total Revenues | \$0 | \$785 | \$785 |
| OTHER FINANCING SOURCES (USES): | | | |
| Operating Transfers In (Out) | \$21,229 | \$21,229 | |
| Reserve | (21,229) | | \$21,229 |
| Total Other Financing Sources | \$0 | \$21,229 | \$21,229 |
| Revenues Over (Under) Other Financing Sources | \$0 | \$22,014 | \$22,014 |
| FUND BALANCE, Beginning | | 481,417 | |
| FUND BALANCE, Ending | | \$503,431 | |

GREENE COUNTY, NORTH CAROLINA
UTILITY ALTERNATIVE WATER SUPPLY CAPITAL RESERVE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
(NON-GAAP)
For the Fiscal Year Ended June 30, 2010

| | <u>Budget</u> | <u>2010 Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|---------------|------------------------|---|
| REVENUES: | | | |
| Investment Earnings | | \$5,022 | \$5,022 |
| Per Meter AWS Fees | | 323,450 | 323,450 |
| Total Revenues | \$0 | \$328,472 | \$328,472 |
| EXPENDITURES: | | | |
| Alternative Water Supply Study | | | |
| Total Expenditures | \$0 | \$0 | \$0 |
| Revenues Over (Under) Other Expenditures | \$0 | \$328,472 | \$328,472 |
| OTHER FINANCING SOURCES (USES): | | | |
| Operating Transfers In (Out) | \$468,731 | \$526,971 | \$58,240 |
| Reserve | (468,731) | | 468,731 |
| Total Other Financing Sources | \$0 | \$526,971 | \$526,971 |
| Revenues Over (Under) Other Financing Sources | \$0 | \$855,443 | \$855,443 |
| FUND BALANCE, Beginning | | 3,054,568 | |
| FUND BALANCE, Ending | | \$3,910,011 | |

GREENE COUNTY, NORTH CAROLINA
 UTILITY CAPITAL PROJECT
 CUTTER CREEK SEWER CONSTRUCTION PROJECT FUND
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
 From Inception and for the Fiscal Year Ended June 30, 2010

| | Project Authorization | Prior Years | Actual Current Year | Total To Date | Variance Favorable (Unfavorable) |
|--|--------------------------|----------------------|---------------------------|----------------------|--|
| REVENUES: | | | | | |
| Investment Earnings | | \$30,444 | \$204 | \$30,648 | \$30,648 |
| Total Revenues | \$0 | \$30,444 | \$204 | \$30,648 | \$30,648 |
| EXPENDITURES: | | | | | |
| Construction | \$1,540,200 | \$1,368,836 | \$107,743 | \$1,476,579 | \$63,621 |
| Engineering | 114,437 | 96,388 | | 96,388 | 18,049 |
| Inspection | 88,407 | 78,321 | 34,368 | 112,689 | (24,282) |
| Legal/Administrative | 5,000 | | | | 5,000 |
| Surveying | 5,500 | 5,362 | | 5,362 | 138 |
| Permit Fees | 1,300 | 1,300 | | 1,300 | |
| Other | 6,651 | 750 | | 750 | 5,901 |
| Contingency | 38,505 | | | | 38,505 |
| Total Expenditures | \$1,800,000 | \$1,550,957 | \$142,111 | \$1,693,068 | \$106,932 |
| Revenues Over (Under) Expenditures | (\$1,800,000) | (\$1,520,513) | (\$141,907) | (\$1,662,420) | \$137,580 |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Installment Purchase Obligation Issued | \$1,800,000 | \$1,800,000 | | \$1,800,000 | |
| Transfer to Utility Fund | | | (\$105,350) | (105,350) | (\$105,350) |
| Total Other Financing Sources (Uses) | \$1,800,000 | \$1,800,000 | (\$105,350) | \$1,694,650 | (\$105,350) |
| Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | \$0 | \$279,487 | (\$247,257) | \$32,230 | \$32,230 |
| FUND BALANCE, Beginning | | | 279,487 | | |
| FUND BALANCE, Ending | | | \$32,230 | | |

GREENE COUNTY, NORTH CAROLINA
UTILITY CAPITAL PROJECT
ALTERNATIVE WATER PHASE 1A PROJECT FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2010

| | <u>Project Authorization</u> | <u>Prior Years</u> | <u>Actual Current Year</u> | <u>Total To Date</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|----------------------------------|------------------------|------------------------------------|--------------------------|---|
| REVENUES: | | | | | |
| Investment Earnings - (BAN Proceeds) | \$57,380 | \$53,996 | \$3,550 | \$57,546 | \$166 |
| Investment Earnings from Phase 1A | \$20,122 | | | | (20,122) |
| Interest Earned on Non-Ban Proceeds | | \$26,992 | 624 | 27,616 | 27,616 |
| USDA - RD Grant Income | 1,000,000 | | 1,000,000 | 1,000,000 | |
| EDA Grant Income | 500,000 | 265,467 | 234,533 | 500,000 | |
| Rural Center Grant Income | 400,000 | 400,000 | | 400,000 | |
| NC Direct Appropriations | 1,000,000 | 1,000,000 | | 1,000,000 | |
| Sales Tax Refund - From Farmville | 193,192 | | | | (193,192) |
| Sale of Timber - Site 247 | 4,875 | | | | (4,875) |
| Miscellaneous Income | 78,365 | 4,875 | | 4,875 | (73,490) |
| Total Revenues | \$3,253,934 | \$1,751,330 | \$1,238,707 | \$2,990,037 | (\$263,897) |
| EXPENDITURES: | | | | | |
| Construction | \$7,626,626 | \$4,167,694 | \$3,334,566 | \$7,502,260 | \$124,366 |
| Engineering | 456,003 | 385,354 | 61,078 | 446,432 | 9,571 |
| Contingency | | | | | |
| Inspection | 278,850 | 196,727 | 69,132 | 265,859 | 12,991 |
| Temporary Financing Interest Expense | 420,000 | 156,734 | 204,275 | 361,009 | 58,991 |
| Land/Easements | 147,447 | 145,308 | 2,139 | 147,447 | |
| Funding Assistance | 46,575 | 46,575 | | 46,575 | |
| Administrative | 46,333 | 26,962 | 19,370 | 46,332 | 1 |
| Project Administrative | 25,000 | 10,000 | 12,500 | 22,500 | 2,500 |
| Grant Assistance | 25,000 | 10,000 | 12,500 | 22,500 | 2,500 |
| Reimbursables | 21,160 | 21,160 | | 21,160 | |
| Legal | 25,000 | 18,574 | 899 | 19,473 | 5,527 |
| Geotechnical | 5,625 | 5,625 | | 5,625 | |
| Environmental | 5,000 | 5,000 | | 5,000 | |
| Appraisals | 2,300 | 2,300 | | 2,300 | |
| Timber Sale - Site 247 | | | | | |
| Accounting | 3,400 | | | | 3,400 |
| Contingency | | | | | |
| Total Expenditures | \$9,134,319 | \$5,198,013 | \$3,716,459 | \$8,914,472 | \$219,847 |
| Revenues Over (Under) Expenditures | (\$5,880,385) | (\$3,446,683) | (\$2,477,752) | (\$5,924,435) | (\$44,050) |
| OTHER FINANCING SOURCES: | | | | | |
| USDA - RD Loan Income - (BAN Proceeds) | \$6,202,000 | \$6,202,000 | | \$6,202,000 | |
| Residual Fund Balance from DOC Water/Sewer Project | | 192,575 | | 192,575 | \$192,575 |
| Transfer to Phase 1C - GC | (\$200,000) | | | | 200,000 |
| Transfer to GC 43-210-434570 | (70,620) | | | | 70,620 |
| Transfer to GC - Water Fund | (50,995) | | | | 50,995 |
| Total Other Financing Sources | \$5,880,385 | \$6,394,575 | \$0 | \$6,394,575 | \$514,190 |
| Revenues and Other Financing Over Expenditures and Other Financing Sources | \$0 | \$2,947,892 | (\$2,477,752) | \$470,140 | \$470,140 |
| FUND BALANCE, Beginning | | | 2,947,892 | | |
| FUND BALANCE, Ending | | | \$470,140 | | |

GREENE COUNTY, NORTH CAROLINA
ALTERNATIVE WATER PHASE 1C PROJECT FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2010

| | <u>Project Authorization</u> | <u>Prior Years</u> | <u>Actual Current Year</u> | <u>Total To Date</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|----------------------------------|------------------------|------------------------------------|--------------------------|---|
| REVENUES: | | | | | |
| USDA - RD Grant Income | \$1,600,000 | | | | (\$1,600,000) |
| USDA - RD Transfer from Phase 1A | 200,000 | | | | (200,000) |
| Rural Center Grant Income | 2,000,000 | | | | (2,000,000) |
| Sales Tax Refund - Restricted | 110,000 | | | | (110,000) |
| Investment Earnings - (BAN Proceeds) | | | \$4,237 | \$4,237 | 4,237 |
| Investment Earnings | | \$630 | 253 | 883 | 883 |
| Total Revenues | \$3,910,000 | \$630 | \$4,490 | \$5,120 | (\$3,904,880) |
| EXPENDITURES: | | | | | |
| Construction | \$10,249,238 | | \$5,064,428 | \$5,064,428 | \$5,184,810 |
| Engineering | 580,207 | | 472,576 | 472,576 | 107,631 |
| Contingency | 513,338 | | | | 513,338 |
| Temporary Financing Interest Expense | 350,000 | | 120,094 | 120,094 | 229,906 |
| Inspection | 463,000 | | 275,614 | 275,614 | 187,386 |
| Land/Easements | 201,717 | \$89,180 | 96,049 | 185,229 | 16,488 |
| Administrative | 12,500 | 5,631 | 2,412 | 8,043 | 4,457 |
| Grant Assistance | 25,000 | | 12,500 | 12,500 | 12,500 |
| Funding Assistance | 25,000 | 3,500 | 21,500 | 25,000 | |
| Legal | 30,000 | 373 | 10,222 | 10,595 | 19,405 |
| Appraisals | | | 20 | 20 | (20) |
| Project Administration | 25,000 | | 15,000 | 15,000 | 10,000 |
| Water Board Coordination | 35,000 | | | | 35,000 |
| Total Expenditures | \$12,510,000 | \$98,684 | \$6,090,415 | \$6,189,099 | \$6,320,901 |
| Revenues Over (Under) Expenditures | (\$8,600,000) | (\$98,054) | (\$6,085,925) | (\$6,183,979) | \$2,416,021 |
| OTHER FINANCING SOURCES (USES): | | | | | |
| USDA - RD Loan Income - (BAN Proceeds) | \$3,800,000 | | \$3,800,000 | \$3,800,000 | |
| USDA - Supplemental Loan | 4,800,000 | | 2,737,000 | 2,737,000 | (\$2,063,000) |
| Interim Financing Loan | 113,000 | | | | (113,000) |
| Repayment of Interim Financing Loan | (113,000) | | | | 113,000 |
| Total Other Financing Sources (Uses) | \$8,600,000 | \$0 | \$6,537,000 | \$6,537,000 | (\$2,063,000) |
| Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | \$0 | (\$98,054) | \$451,075 | \$353,021 | \$353,021 |
| FUND BALANCE, Beginning | | | (\$98,054) | | |
| FUND BALANCE, Ending | | | \$353,021 | | |

GREENE COUNTY, NORTH CAROLINA
ALTERNATIVE WATER PHASE 1F PROJECT FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2010

| | <u>Project Authorization</u> | <u>Prior Years</u> | <u>Actual Current Year</u> | <u>Total To Date</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|----------------------------------|------------------------|------------------------------------|--------------------------|---|
| REVENUES: | | | | | |
| ARRA - DWSRF Principal Forgiveness Grant | \$1,500,000 | | \$700,372 | \$700,372 | (\$799,628) |
| Sales Tax | 75,000 | | | | (75,000) |
| Local Project Contribution | 85,000 | | | | (85,000) |
| Total Revenues | \$1,660,000 | \$0 | \$700,372 | \$700,372 | (\$959,628) |
| EXPENDITURES: | | | | | |
| Construction | \$2,557,774 | | \$1,105,790 | \$1,105,790 | \$1,451,984 |
| Engineering | 179,290 | | 142,932 | 142,932 | 36,358 |
| Construction Observation | 167,347 | | 89,399 | 89,399 | 77,948 |
| Legal | 5,000 | | | | 5,000 |
| Audit | 1,000 | | | | 1,000 |
| Administrative | 5,000 | | 4,607 | 4,607 | 393 |
| Project Administration | 85,000 | | 70,000 | 70,000 | 15,000 |
| Funding Assistance | 25,000 | | 25,000 | 25,000 | |
| Grant Administration | 25,000 | | 10,000 | 10,000 | 15,000 |
| ARRA DBE Administration | 10,000 | | 12,000 | 12,000 | (2,000) |
| ARRA Buy American Administration | 6,500 | | | | 6,500 |
| ARRA Job Creation Administration | 5,000 | | | | 5,000 |
| ARRA Davis Bacon Administration | 25,000 | | | | 25,000 |
| Permit Fees | 2,000 | | | | 2,000 |
| Contingency | 61,089 | | | | 61,089 |
| Total Expenditures | \$3,160,000 | \$0 | \$1,459,728 | \$1,459,728 | \$1,700,272 |
| Revenues Over (Under) Expenditures | (\$1,500,000) | \$0 | (\$759,356) | (\$759,356) | \$740,644 |
| OTHER FINANCING SOURCES (USES): | | | | | |
| ARRA - DWSRF Debt Proceeds | \$1,500,000 | | \$700,372 | \$700,372 | (\$799,628) |
| Total Other Financing Sources (Uses) | \$1,500,000 | \$0 | \$700,372 | \$700,372 | (\$799,628) |
| Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | \$0 | \$0 | (\$58,984) | (\$58,984) | (\$58,984) |
| FUND BALANCE, Beginning | | | | | |
| FUND BALANCE, Ending | | | (\$58,984) | | |

GREENE COUNTY, NORTH CAROLINA
WATER & SEWER DISTRICT 1 FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year End June 30, 2010

| | Budget | 2010 Actual | Variance Favorable (Unfavorable) |
|--|--------|----------------|--|
| REVENUES: | | | |
| <i>Total Revenues</i> | \$100 | \$0 | (\$100) |
| EXPENDITURES: | | | |
| Administrative | \$100 | \$54 | \$46 |
| <i>Total Expenditures</i> | \$100 | \$54 | \$46 |
| <i>Revenues Over (Under) Expenditures</i> | \$0 | (\$54) | (\$54) |
| RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL BASIS: | | | |
| RECONCILING ITEMS: | | | |
| Depreciation | | (\$41,445) | |
| <i>Total Reconciling Items</i> | | (\$41,445) | |
| <i>Net Income (Loss), Full Accrual Basis</i> | | (\$41,499) | |

GREENE COUNTY, NORTH CAROLINA
LANDFILL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2010

| | <u>Budget</u> | <u>2010 Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|------------------|------------------------|---|
| REVENUES: | | | |
| <i>Operating:</i> | | | |
| Landfill Fees | \$619,263 | \$625,753 | \$6,490 |
| Total Operating Revenues | \$619,263 | \$625,753 | \$6,490 |
| <i>Nonoperating:</i> | | | |
| Investment Earnings | \$2,000 | \$67 | (\$1,933) |
| Total Nonoperating Revenues | \$2,000 | \$67 | (\$1,933) |
| Total Revenues | \$621,263 | \$625,820 | \$4,557 |
| EXPENDITURES: | | | |
| <i>Operating:</i> | | | |
| Salaries and Employee Benefits | \$172,218 | \$177,508 | (\$5,290) |
| Employee Training | 1,500 | 966 | 534 |
| Supplies | 29,800 | 26,237 | 3,563 |
| Maintenance | 36,600 | 33,942 | 2,658 |
| Contracted Services | 178,392 | 162,711 | 15,681 |
| Utilities | 18,753 | 17,390 | 1,363 |
| Professional Services | 36,000 | 37,515 | (1,515) |
| Insurance | 8,000 | 8,000 | |
| Site Improvements | 3,000 | 2,011 | 989 |
| Telephone and Postage | 4,500 | 3,391 | 1,109 |
| Miscellaneous | 1,000 | 483 | 517 |
| Disposal Fees | 131,500 | 129,551 | 1,949 |
| Total Expenditures | \$621,263 | \$599,705 | \$21,558 |
| Revenues Over (Under) Expenditures | \$0 | \$26,115 | \$26,115 |
| Other Financing Sources (Uses): | | | |
| Transfer from Utility Fund | | \$29,648 | \$29,648 |
| Total Other Financing Sources (Uses) | 0 | \$29,648 | \$29,648 |
| Revenues and Other Sources Over (Under) Expenditures and Other Uses | \$0 | \$55,763 | \$55,763 |

GREENE COUNTY, NORTH CAROLINA
LANDFILL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2010

| | <u>Budget</u> | <u>2010 Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|---------------|------------------------|---|
| RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL BASIS: | | | |
| <i>Revenues Over (Under) Expenditures</i> | <u>\$0</u> | \$55,763 | <u>\$55,763</u> |
| RECONCILING ITEMS: | | | |
| Decrease in Compensated Absences | | (630) | |
| Increase in Other Postemployment Benefits | | (4,390) | |
| Depreciation | | (44,981) | |
| Total Reconciling Items | | <u>(\$50,001)</u> | |
| <i>Net Income (Loss), Full Accrual Basis</i> | | <u>\$5,762</u> | |

GREENE COUNTY, NORTH CAROLINA
TRANSPORTATION SYSTEM FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2010

| | <u>Budget</u> | <u>2010 Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|------------------|------------------------|---|
| REVENUES: | | | |
| <i>Operating:</i> | | | |
| Transportation Fares | \$183,140 | \$186,408 | \$3,268 |
| Total Operating Revenues | \$183,140 | \$186,408 | \$3,268 |
| <i>Nonoperating:</i> | | | |
| Investment Earnings | \$1,229 | \$106 | (\$1,123) |
| ROAP - EMPL | 5,019 | 5,507 | 488 |
| DOT Transportation Coordination Grant | 99,738 | 94,515 | (5,223) |
| ARRA Equipment/Capital | 85,848 | 73,096 | (12,752) |
| ARRA Maintenance | 26,125 | | (26,125) |
| New Freedom Section 5317 | 11,598 | | (11,598) |
| Job Access Section 5316 | 6,000 | | (6,000) |
| ROAP - RGP Supplement | 6,000 | 30,869 | 24,869 |
| ROAP - EDTAP Supplement | 11,598 | 23,148 | 11,550 |
| ROAP - EDTAP | 39,412 | 40,437 | 1,025 |
| ROAP - RGP | 39,285 | 35,101 | (4,184) |
| Total Nonoperating Revenues | \$331,852 | \$302,779 | (\$29,073) |
| Total Revenues | \$514,992 | \$489,187 | (\$25,805) |
| EXPENDITURES: | | | |
| <i>Operating:</i> | | | |
| Salaries and Employee Benefits | \$300,957 | \$248,192 | \$52,765 |
| Supplies and Fuel | 68,636 | 56,336 | 12,300 |
| Maintenance | 33,625 | 25,434 | 8,191 |
| Contract Services | 7,259 | 7,259 | |
| Utilities | 2,000 | 2,022 | (22) |
| Office Expense | 14,150 | 12,618 | 1,532 |
| Telephone and Postage | 2,900 | 2,559 | 341 |
| Travel | 4,000 | 2,995 | 1,005 |
| Miscellaneous Operating Expense | 4,265 | 4,230 | 35 |
| Rent | | 507 | (507) |
| Capital Outlay | 77,200 | | 77,200 |
| Total | \$514,992 | \$362,152 | \$152,840 |
| Revenues Over (Under) Expenditures | \$0 | \$127,035 | \$127,035 |
| RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL BASIS: | | | |
| RECONCILING ITEMS: | | | |
| Increase in Compensated Absences | | (\$1,368) | |
| Increase in Other Post Employment Benefits | | (1,612) | |
| Depreciation | | (46,859) | |
| Total Reconciling Items | | (\$49,839) | |
| Net Income, Full Accrual Basis | | \$77,196 | |

INTERNAL SERVICE FUND

ASO Self-Funded Medical Insurance Fund - The ASO Self-Funded Medical Insurance Fund is used to account for moneys collected from employer and employees and to account for medical insurance claims paid for said employees, their spouses and dependents.

GREENE COUNTY, NORTH CAROLINA
ASO-SELF FUNDED MEDICAL INSURANCE INTERNAL SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES – FINANCIAL PLAN AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2010

| | <u>Financial Plan</u> | <u>2010 Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|---------------------------|------------------------|---|
| REVENUES: | | | |
| <i>Operating:</i> | | | |
| County Contributions | | \$1,142,881 | \$1,142,881 |
| Total Operating Revenues | \$0 | \$1,142,881 | \$1,142,881 |
| Total Revenues | \$0 | \$1,142,881 | \$1,142,881 |
| EXPENDITURES: | | | |
| <i>Operating:</i> | | | |
| Medical Claims | | \$1,362,510 | (\$1,362,510) |
| Total | \$0 | \$1,362,510 | (\$1,362,510) |
| Revenues Over (Under) Expenditures | \$0 | (\$219,629) | (\$219,629) |

AGENCY FUNDS

The following comprise the County's Agency Funds:

Municipal Tax Fund - The Municipal Tax Fund is used to account for property tax collections for the municipalities located within the County as well as collection and remittance of the three percent interest levied on the first month of delinquent motor vehicle property taxes.

Social Services Fund - The Social Services Fund is used to account for funds received by the County by court order on behalf of citizens who are unable to manage their own financial affairs.

Fines and Forfeitures Fund - The Fines and Forfeitures Fund is used to account for fines and forfeitures collected by the County that are required to be remitted to the Greene County Board of Education.

GREENE COUNTY, NORTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For The Fiscal Year Ended June 30, 2010

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|---|------------------------------|------------------|------------------|---------------------------|
| <i>Municipal Tax Fund:</i> | | | | |
| Assets: | | | | |
| Cash | \$3,910 | \$113,748 | \$115,850 | \$1,808 |
| Due from Other Governments | 2,184 | 2,461 | | 4,645 |
| | <u>\$6,094</u> | <u>\$116,209</u> | <u>\$115,850</u> | <u>\$6,453</u> |
| Liabilities: | | | | |
| 3% DMV Interest | | \$10,972 | \$10,972 | |
| Accounts Payable | \$6,094 | 107,295 | 106,936 | \$6,453 |
| | <u>\$6,094</u> | <u>\$118,267</u> | <u>\$117,908</u> | <u>\$6,453</u> |
| <i>Social Services Fund:</i> | | | | |
| Assets, Cash | | | | |
| | <u>\$113,047</u> | <u>\$164,691</u> | <u>\$163,395</u> | <u>\$114,343</u> |
| Liabilities, Accounts Payable | | | | |
| | <u>\$113,047</u> | <u>\$164,691</u> | <u>\$163,395</u> | <u>\$114,343</u> |
| <i>Fines and Forfeitures Fund:</i> | | | | |
| Assets, Due From Other Governments | | | | |
| | <u>\$28,112</u> | <u>\$105,701</u> | <u>\$125,126</u> | <u>\$8,687</u> |
| Liabilities, Accounts Payable | | | | |
| | <u>\$28,112</u> | <u>\$105,701</u> | <u>\$125,126</u> | <u>\$8,687</u> |
| TOTALS - ALL AGENCY FUNDS: | | | | |
| Assets, Cash and Due From Other Governments | | | | |
| | <u>\$147,253</u> | <u>\$386,601</u> | <u>\$404,371</u> | <u>\$129,483</u> |
| Liabilities: | | | | |
| Accounts Payable | \$147,253 | \$388,659 | \$406,429 | \$129,483 |
| Total Liabilities | <u>\$147,253</u> | <u>\$388,659</u> | <u>\$406,429</u> | <u>\$129,483</u> |

STATISTICAL SECTION

This section includes additional information required on property taxes and transfers.

- Statement of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy
- Ten Largest Taxpayers

GREENE COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF AD VALOREM TAXES RECEIVABLE
June 30, 2010

| Fiscal Year Ended June 30, | Uncollected Balance June 30, 2008 | Additions | Collections and Credits | Uncollected Balance June 30, 2009 |
|---|--|--------------------|--|--|
| 2009-10 | | \$7,526,342 | \$7,250,812 | \$275,530 |
| 2008-09 | \$329,621 | | 258,507 | 71,114 |
| 2007-08 | 89,509 | | 49,495 | 40,014 |
| 2006-07 | 51,159 | | 22,870 | 28,289 |
| 2005-06 | 38,669 | | 13,002 | 25,667 |
| 2004-05 | 27,717 | | 8,279 | 19,438 |
| 2003-04 | 23,695 | | 3,487 | 20,208 |
| 2002-03 | 44,216 | | 2,371 | 41,845 |
| 2001-02 | 12,731 | | 1,751 | 10,980 |
| 2000-01 | 13,369 | | 1,258 | 12,111 |
| 1999-00 | 8,279 | | 8,279 | |
| | \$638,965 | \$7,526,342 | \$7,620,111 | \$545,196 |
| Less Allowance for Uncollectible Ad Valorem Taxes Receivable: | | | | 135,424 |
| Ad Valorem Taxes Receivable, Net | | | | \$409,772 |
| Reconciliation with Revenues: | | | | |
| Ad Valorem Taxes - General Fund | | | | \$7,566,004 |
| Interest and Penalties Collected on Ad Valorem Taxes - General Fund | | | | 177,982 |
| | | | | \$7,743,986 |
| Reconciling Items: | | | | |
| Interest and Penalties Collected | | | | (\$177,982) |
| Refunds | | | | 76,524 |
| Taxes Written Off | | | | (20,417) |
| Dog Tax | | | | (2,000) |
| Total Reconciling Items | | | | (\$123,875) |
| Total Collections and Credits | | | | \$7,620,111 |

GREENE COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
For The Fiscal Year Ended June 30, 2010

| | County-Wide | | Total Levy | | |
|---|----------------------|-------|--------------------|--|---------------------------|
| | Property Valuation | Rate | Amount of Levy | Property Excluding Registered Motor Vehicles | Registered Motor Vehicles |
| Original Levy: | | | | | |
| Property Taxed at Current Year's Rate | \$950,141,402 | 0.756 | \$7,183,069 | \$6,635,933 | \$547,136 |
| Motor Vehicles Taxed at Prior Year's Rate | 44,212,698 | 0.756 | 334,248 | | 334,248 |
| Total | \$994,354,101 | | \$7,517,317 | \$6,635,933 | \$881,384 |
| Discoveries: | | | | | |
| Current Years Taxes | \$3,282,275 | 0.756 | \$24,814 | \$24,814 | |
| Penalties | | | 21,741 | 21,741 | |
| Total Discoveries | \$3,282,275 | | \$46,555 | \$46,555 | \$0 |
| Abatements | | | | | |
| Releases | (\$4,964,286) | 0.756 | (\$37,530) | (\$19,145) | (\$18,385) |
| Total Abatements | (\$4,964,286) | | (\$37,530) | (\$19,145) | (\$18,385) |
| Total Property Valuation | \$992,672,090 | | | | |
| Net Levy | | | \$7,526,342 | \$6,663,343 | \$862,999 |
| Uncollected Taxes at June 30, 2010 | | | 275,530 | 170,648 | 104,882 |
| Current Year's Taxes Collected | | | \$7,250,812 | \$6,492,695 | \$758,117 |
| Current Levy Collection Percentage | | | 96.34% | 97.44% | 87.85% |

GREENE COUNTY, NORTH CAROLINA
TEN LARGEST TAXPAYERS
For The Fiscal Year Ended June 30, 2010

| <u>Taxpayer</u> | <u>Type of Business</u> | <u>2010 Assessed Valuation</u> | <u>Percentage of Total Assessed Valuation</u> |
|---------------------------------|-------------------------|--------------------------------|---|
| Pitt-Greene EMC | Utility | \$16,243,264 | 1.64% |
| Mill Run Development Group, LLC | Construction | 11,106,780 | 1.12% |
| Ham Farms, Inc. | Agricultural | 10,568,896 | 1.06% |
| Progress Energy Carolinas | Utility | 7,075,068 | 0.71% |
| Carolina Telephone | Telephone | 6,481,832 | 0.65% |
| Vanrack, Inc. | Construction | 5,199,101 | 0.52% |
| L.L. Murphrey Company | Swine Producer | 4,903,860 | 0.49% |
| Cutter Creek Golf Club | Country Club | 3,876,950 | 0.39% |
| HillCo. Ltd. | Rental | 3,172,510 | 0.32% |
| Yamco, LLC | Agricultural | 3,106,935 | 0.31% |
| | | <u>\$71,735,196</u> | <u>7.23%</u> |

COMPLIANCE SECTION



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of County Commissioners
Greene County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregated remaining fund information of Greene County, North Carolina as of and for the year ended June 30, 2010, which collectively comprises Greene County's basic financial statements, and have issued our report thereon dated December 28, 2010. 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. The financial statements of Greene County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Greene 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 Greene 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as Finding 10-1, Finding 10-2, Finding 10-3, Finding 10-4, Finding 10-5 and Finding 10-6 to be material weaknesses.

Compliance and Other Matters

As a part of obtaining reasonable assurance about whether Greene County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as Finding 10-4.

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

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

Barrow, Parris & Davenport, P.A.
BARROW, PARRIS & DAVENPORT, P.A.

December 28, 2010



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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

To the Board of County Commissioners
Greene County, North Carolina

Compliance

We have audited the compliance of Greene County, North Carolina, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2010. Greene County's major federal programs are identified in the summary of auditors' 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 Greene County's management. Our responsibility is to express an opinion on Greene 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 Greene 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 Greene County's compliance with those requirements.

In our opinion, Greene County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133, and the State Single Audit Implementation Act, and which is described in the accompanying schedule of findings and questioned costs as Finding 10-7.

Internal Control Over Compliance

The management of Greene County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Greene County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our 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 the 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 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 10-6 to be a significant deficiency.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. However, as we discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the County Commissioners, 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.

Barrow, Parris & Davenport, P.A.

BARROW, PARRIS & DAVENPORT, P.A.

December 28, 2010



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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR STATE PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

To the Board of County Commissioners
Greene County, North Carolina

Compliance

We have audited the compliance of Greene County, North Carolina, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 2010. Greene County's major State programs are identified in the summary of auditors' 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 Greene County's management. Our responsibility is to express an opinion on Greene 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 State program occurred. An audit includes examining, on a test basis, evidence about Greene County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Greene County's compliance with those requirements.

In our opinion, Greene County complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and the State Single Audit Implementation Act, which is described in the accompanying schedule of findings and questioned costs as Finding 10-7.

Internal Control Over Compliance

The management of Greene County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered Greene County's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our 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 the 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 10-7 to be a significant deficiency.

Our consideration of the 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. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the County Commissioners, 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.

Barrow, Parris & Davenport, P.A.

BARROW, PARRIS & DAVENPORT, P.A.

December 28, 2010

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2010

I. SUMMARY OF AUDITORS' RESULTS

| | <u>YES</u> | <u>NO</u> |
|---|---------------|---------------|
| <u>Financial Statements</u> | | |
| Type of auditors' report issued: Unqualified | | |
| Internal control over financial reporting: | | |
| • Material weakness(es) identified | <u>X</u> | <u> </u> |
| • Significant deficiency(s) identified that are not considered to be material weaknesses | <u> </u> | <u>X</u> |
| Noncompliance material to financial statements noted | <u> </u> | <u>X</u> |
| <u>Federal Awards</u> | | |
| Internal control over major federal programs: | | |
| • Material weakness(es) identified | <u> </u> | <u>X</u> |
| • Significant deficiency(s) identified that are not considered to be material weaknesses | <u>X</u> | <u> </u> |
| Type of auditors' 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 | <u>X</u> | <u> </u> |

Identification of major federal programs:

| <u>CFDA Numbers</u> | <u>Name of Federal Programs or Cluster</u> |
|---------------------|--|
| | Supplemental Nutrition Assistance Program Cluster: |
| 10.551 | Supplemental Nutrition Assistance Program – Direct Benefit Payments |
| 10.561 | State Administrative Matching Grants for the Supplemental Nutrition Assistance Program |
| 10.760 | BAN Proceeds for anticipated U.S.D.A Rural Development Loan |
| 10.766 | Interim Financing for anticipated U.S.D.A. Rural Development Loan |
| 10.766 | Supplemental U.S.D.A. Rural Development Loan |
| 10.766 | Supplemental U.S.D.A. Grant |
| 66.468 | ARRA – Drinking Water State Revolving Loan |
| 66.468 | ARRA – DWSRF Principal Forgiveness Grant |
| | Childcare Cluster: |
| 93.558 | Temporary Assistance for Needy Families |
| 93.575 | CCDF Discretionary Subsidy/TANF Contingency |
| 93.596 | CCDF Mandatory and Match |
| 93.667 | SSBG |
| 93.713 | ARRA – CCDF |
| 93.767 | State Children's Insurance Program – NC Health Choice |
| 93.778 | Title XIX - Medicaid |

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2010

Dollar threshold used to distinguish between
Type A and Type B Programs \$1,470,315

Auditee qualified as low-risk auditee X

YES NO

State Awards

Internal control over major State programs:

- Material weakness(es) identified X
- Significant deficiency(s) identified that are not
considered to be material weaknesses X

Type of auditors' report issued on compliance for major
State programs: Unqualified

Any audit findings disclosed that are required to be reported
in accordance with State Single Audit Implementation Act X

Identification of major State programs:

Program Name

Title XIX - Medicaid – State Match

II. FINANCIAL STATEMENT FINDINGS

FINDING 10-1 – REPORTING

MATERIAL WEAKNESS

Criteria: The County should have personnel in place that have expertise in financial accounting and reporting sufficient to prepare or review the audited financial statements to ensure they are in accordance with generally accepted accounting principles.

Condition: Although the County has competent financial personnel to perform the daily functions of the finance department, the staff does not have the technical training and background to prevent, detect, and correct potential misstatements in the financial statements and notes prepared in accordance with generally accepted accounting principles.

Effect: The financial statements could include material misstatements or inadequate disclosures not in accordance with generally accepted accounting principles.

Cause: Management has historically relied on its auditors to prepare the audited financial statements. However, the auditor services cannot serve as an internal control for the County. Personnel have not acquired the technical training or expertise to be efficient in this area.

Recommendation: The County may consider providing the necessary training to current personnel or outsourcing the financial statement preparation function. However, an analysis of the costs versus benefits should be considered. This is a repeat finding.

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2010

*Views of Responsible
Officials and Planned
Corrective Action:*

Due to the related costs in eliminating this control deficiency, management has determined that we are willing to accept the risks associated with the control deficiency. We will continue to monitor the internal controls over financial reporting, and will make attempts to improve the related internal control process when feasible.

FINDING 10-2 – REPORTING

MATERIAL WEAKNESS

Criteria: County personnel should adjust account balances to reflect appropriate year-end balances.

Condition: Some accounts had not been adjusted to reflect appropriate year-end balances. Some of the unrecorded adjustments were, in our judgment, material to the financial statements.

Effect: The financial statements could include material misstatements.

Cause: The County has procedures in place which require and expect that accounts will be adjusted to reflect appropriate year-end balances. These procedures were not followed and all accounts were not adjusted to appropriate year-end balances.

Recommendation: County personnel should continue to try to make all required year-end adjustments in the future. This is a repeat finding.

*Views of Responsible
Officials and Planned
Corrective Action:*

The County has made significant progress in this area and management plans to try to make all required year-end adjustments for the 2010-2011 fiscal year-end.

FINDING 10-3 – SEGREGATION OF DUTIES

MATERIAL WEAKNESS

Criteria: Duties should be segregated to provide reasonable assurance that transactions are handled appropriately.

Condition: With a limited number of personnel for certain functions, there are inherent limitations of the effectiveness of certain controls due to the lack of segregation of duties among County personnel in the following departments:

Utility: An employee who collects payments also maintains the subsidiary billing register.

Register of Deeds: Certain employees receive cash, prepare customer receipts, and make the daily bank deposits.

Landfill: An employee who receives on-site tipping fees also prepares the customer receipts and bank deposits.

Effect: Transactions could be mishandled.

Cause: There are a limited number of personnel for certain functions.

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For The Year Ended June 30, 2010

Recommendation: The duties should be separated as much as possible and alternative controls should be used to compensate for lack of segregation. This is a repeat finding.

Views of Responsible Officials and Planned

Corrective Actions: The County agrees with this finding and where feasible, duties will be separated as much as possible.

FINDING 10-4 – BUDGET OVER EXPENDITURE

MATERIAL WEAKNESS
IMMATERIAL NONCOMPLIANCE

Criteria: In accordance with North Carolina General Statute 159-8, all monies received or expended by a local government or public authority should be in accordance with an approved budget ordinance.

Condition: Expenditures made in 5 line items in the general fund and 10 line items of various project funds exceeded the appropriations made by the governing board.

Effect: Moneys were spent that had not been appropriated by the Board.

Cause: The County did not amend the budget line items for changes occurring through the year not anticipated in the initial adoption of the budget ordinances. Required budget amendments needed to account for these transactions were not submitted to the board for amendment before year-end.

Recommendation: The budget should be monitored closely to ensure that appropriations are available before expenditures are incurred. This is a repeat finding.

Views of Responsible Officials and Planned

Corrective Actions: The County agrees with this finding and will more closely monitor budget reports in the future.

FINDING 10-5 – INTERNAL SERVICE FUND FINANCIAL PLAN

MATERIAL WEAKNESS
IMMATERIAL NONCOMPLIANCE

Criteria: In accordance with North Carolina General Statute 159-13.1, if a local government establishes and operates an internal service fund at the same time it adopts the budget ordinance, the governing body shall approve a balanced financial plan.

Condition: The County established the ASO-Self Funded Medical Insurance Internal Service Fund and failed to approve a financial plan.

Effect: The County operated the ASO-Self Funded Medical Insurance Fund without the statutorily required plan in place.

Cause: The County did not adopt a balanced financial plan as required.

Recommendation: A balanced financial plan should be adopted going forward.

Views of Responsible Officials and Planned

Corrective Actions: The County agrees with this finding. A financial plan will be adopted going forward.

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2010

FINDING 10-6 – RECONCILIATION OF CASH BALANCES

MATERIAL WEAKNESS

Criteria: Cash balances should be reconciled monthly in a timely manner to ensure that all transactions are properly posted during the period and agreed to the general ledger.

Condition: Cash reconciliations were performed but they did not tie to the general ledger.

Effect: The main County bank account remained out of balance with the general ledger all year. Interim financial information was not completely reconciled therefore, management and the governing body could possibly make decisions based on inaccurate or incomplete data.

Cause: Responsible personnel have made numerous attempts to reconcile cash since the closeout of the 2007 – 2008 fiscal year. Due possibly to an issue in the financial software, a true reconciliation has not been obtained since June of 2008.

Recommendation: Procedures should be implemented to ensure that cash balances and bank statements are reconciled shortly after month-end and balanced with the general ledger.

*Views of Responsible
Officials and Planned
Corrective Action:*

The County agrees with this finding. Management consulted with the software company and other NC counties who are users of the same financial software to determine if there are common problems reconciling accounts between the fiscal year-end and the actual final closeout and still could not find the problem. As of June 30, 2010, the County adjusted its cash to agree with the general ledger and will monitor this reconciliation process closely going forward.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDING 10-7

**SIGNIFICANT DEFICIENCY
IMMATERIAL NONCOMPLIANCE**

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Passed Through the N.C. Department of Health and Human Services:

Program Name: Medical Assistance Program

CFDA #'s: 93.778

Eligibility

Criteria: As part of the basic program requirements, Medicaid workers must document the client's citizenship or alien status. Workers must also document two acceptable verifications of State residency. Workers must also document if the client has health insurance coverage. For Medicaid for the Disabled (M-AD) cases, the case file should contain verification of disability. In addition, the case file should contain either a copy of form DMA-5046, Notice of Rights to Transportation, or documentation that the form was sent.

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2010

As part of the financial requirements, Medicaid case files should contain verification that automated income and resource matches were completed. The case should also contain income verification and evidence that the budget was computed correctly. In addition, the case file should contain evidence that real property was verified.

Condition:

In our test of 40 client files, 4 files did not contain proper State residency documentation, 3 files did contain documentation of health insurance coverage, 4 files did not contain proper documentation for the Notice of Rights to Transportation, 3 files did not contain verification that automated matches were completed, and 8 files did not have income verification/budget computed correctly. In summary, 18 client files contained errors, with some client files containing multiple errors.

Questioned Costs:

Unable to determine since this is a direct benefit payment. However, the potential exists for ineligible clients to receive Medical Assistance Program benefits.

Effect:

Clients who are potentially ineligible may be receiving services.

Cause:

Responsible personnel are not properly documenting case files.

Recommendation:

Each instance noted above was brought to the attention of the appropriate caseworker and recommended to be corrected at or before the client's next review.

*Views of Responsible
Officials and Planned
Corrective Actions:*

The County agrees with this finding. Procedures will be implemented to ensure that proper documentation is included in each case file.

IV. STATE AWARD FINDINGS AND QUESTIONED COSTS

FINDING 10-8

N.C. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Program Name: Medical Assistance Program

REFER TO FEDERAL FINDING 10-7

GREENE COUNTY, NORTH CAROLINA
CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2010

FINANCIAL STATEMENT FINDINGS

FINDING: 10-1

- A. Name of Contact Person: Shawna Wooten, Finance Officer
- B. Corrective Action: Management is willing to accept the risks associated with this control deficiency but will also explore the option of outsourcing financial statement preparation.
- C. Proposed Completion Date: The County plans to begin this process immediately.

FINDING: 10-2

- A. Name of Contact Person: Shawna Wooten, Finance Officer
- B. Corrective Action: Finance Officer plans to continue to try and have all year-end adjustments made in the future.
- C. Proposed Completion Date: The County plans to begin this process immediately.

FINDING: 10-3

- A. Name of Contact Person: Shawna Wooten, Finance Officer
- B. Corrective Action: Where feasible, the duties will be separated as much as possible, and alternative controls will be used to compensate for lack of segregation.
- C. Proposed Completion Date: The County has been and will continue implementing the above procedures as alternatives become available.

FINDING: 10-4

- A. Name of Contact Person: Shawna Wooten, Finance Officer
- B. Corrective Action: The budget will be more closely monitored and amended.
- C. Proposed Completion Date: The County plans to begin this process immediately.

FINDING: 10-5

- A. Name of Contact Person: Shawna Wooten, Finance Officer
- B. Corrective Action: A financial plan will be adopted for future years going forward
- C. Proposed Completion Date: The County plans to begin this process immediately.

GREENE COUNTY, NORTH CAROLINA
CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2010

FINDING: 10-6

- A. Name of Contact Person: Shawna Wooten, Finance Officer
- B. Corrective Action: The problem will be investigated and the cash accounts will be reconciled on a timely basis going forward.
- C. Proposed Completion Date: The County plans to begin this process immediately.

FINDING: 10-7

- A. Name of Contact Person: Christy Nash, DSS Director
- B. Corrective Action: Procedures will be implemented to ensure that proper documentation is included in each case file.
- C. Proposed Completion Date: The County plans to begin this process immediately.

FINDING: 10-8

REFER TO FINDING 10-7

GREENE COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2010

| | |
|-----------------|---|
| FINDING: | 09-1 Financial Reporting |
| STATUS: | Not corrected. See current year finding 10-1. |
| FINDING: | 09-2 Reporting |
| STATUS: | Not corrected. See current year finding 10-2. |
| FINDING: | 09-3 Segregation of Duties |
| STATUS: | Not corrected. Duties are being separated as much as possible and alternative controls are being implemented for lack of separation. See current year finding 10-3. |
| FINDING: | 09-4 Budget Over-expenditures |
| STATUS: | Not corrected. Instances of budgetary over-expenditures noted during the current year. See current year finding 10-4. |
| FINDING: | 09-5 Cash Reconciliations |
| STATUS: | Not corrected. See current year finding 10-5. |
| FINDING: | 09-6 Signature Plate |
| STATUS: | Corrected. The signature plates are now maintained by two separate individuals in a secure location. |
| FINDING: | 09-7 Parent Fees |
| STATUS: | Corrected. Parent fees were found to be calculated correctly. |

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
For the Fiscal Year Ended June 30, 2010

| Grantor/Pass-Through Grantor/Program Title | CFDA Number | Grantor's Number | Expenditures | | |
|--|----------------|---------------------|---------------------|------------|------------|
| | | | Federal | State | Local |
| FEDERAL GRANTS | | | | | |
| U.S. DEPARTMENT OF AGRICULTURE: | | | | | |
| <i>Passed Through NC Department of Health and Human Services:</i> | | | | | |
| <i>Administered by County Finance Department:</i> | | | | | |
| USDA Supplement Title III C-1 | 10.570 | NC-15 | \$8,408 | | |
| USDA Supplement Title III C-2 | 10.570 | NC-15 | 4,729 | | |
| | | | \$13,137 | \$0 | \$0 |
| <i>Passed Through NC Department of Health and Human Services:</i> | | | | | |
| Division of Public Health: | | | | | |
| <i>Administered by County Health Department:</i> | | | | | |
| Special Supplemental Food Program for Women, Infants and Children: Administration | 10.557 | 15405405 | \$211,749 | | |
| Direct Benefit Payments: Special Supplemental Food Program for WIC | 10.557 | | 392,651 | | |
| Total Division of Public Health | | | \$604,400 | \$0 | \$0 |
| <i>Passed Through NC Department of Health and Human Services:</i> | | | | | |
| Division of Social Services: | | | | | |
| <i>Administered by County Department of Social Services:</i> | | | | | |
| Supplemental Nutrition Assistance Program Cluster: | | | | | |
| Supplemental Nutrition Assistance Program - Direct Benefit Payments | 10.551 | | \$5,936,820 | | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | | 147,004 | | |
| Total Supplemental Nutrition Assistance Program Cluster | | | \$6,083,824 | \$0 | \$0 |
| Total NC Department of Health and Human Services | | | \$6,701,361 | \$0 | \$0 |
| <i>Passed Through Rural Development:</i> | | | | | |
| <i>Administered by County Finance Department:</i> | | | | | |
| \$6,202,000 Bond Anticipation Notes Expected to be Refinanced with USDA Loan - Expenditures to Date | 10.760 | | \$2,481,926 | | |
| \$3,800,000 Bond Anticipation Notes Expected to be Refinanced with USDA Loan - Expenditures to Date | 10.760 | | 3,800,000 | | |
| <i>Administered by County Finance Department:</i> | | | | | |
| \$10,500,000 Interim Financing Expected to be Refinanced with USDA Loan - Expenditures to Date | 10.766 | | 5,927,267 | | |
| \$1,000,000 Supplemental USDA Grant | 10.766 | | 1,000,000 | | |
| <i>Administered by County Finance Department:</i> | | | | | |
| \$2,737,000 Supplemental Loan | 10.766 | | 2,241,414 | | |
| Total Rural Development | | | \$15,450,607 | \$0 | \$0 |
| Total U.S. Department of Agriculture | | | \$22,151,968 | \$0 | \$0 |

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
 For the Fiscal Year Ended June 30, 2010

| Grantor/Pass-Through Grantor/Program Title | CFDA Number | Grantor's Number | Expenditures | | |
|---|----------------|---------------------|--------------------|------------|------------|
| | | | Federal | State | Local |
| FEDERAL GRANTS | | | | | |
| U.S. DEPARTMENT OF COMMERCE: | | | | | |
| Economic Development Administration: | | | | | |
| <i>Administered by County Finance Department:</i> | | | | | |
| Economic Development Administration (EDA) Grant | 11.300 | | \$234,533 | | |
| Total U.S. Department of Commerce | | | \$234,533 | \$0 | \$0 |
| U.S. DEPARTMENT OF TRANSPORTATION: | | | | | |
| <i>Passed Through NC Department of Transportation:</i> | | | | | |
| <i>Administered by County Finance Department:</i> | | | | | |
| ARRA - Formula Grant - Other Than Urbanized Areas | 20.509 | | \$73,096 | | |
| Total U.S. Department of Transportation | | | \$73,096 | \$0 | \$0 |
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT: | | | | | |
| <i>Passed Through NC Department of Commerce:</i> | | | | | |
| Division of Community Assistance: | | | | | |
| <i>Administered by County Finance Department:</i> | | | | | |
| 2006 Community Development Block Grant | 14.228 | | \$101,649 | | |
| 2009 Community Development Block Grant | 14.228 | | 148,211 | | |
| Total U.S. Department of Housing and Urban Development | | | \$249,860 | \$0 | \$0 |
| U.S. ENVIRONMENTAL PROTECTION AGENCY: | | | | | |
| <i>Passed Through NC Department of Natural Resources:</i> | | | | | |
| Division of Community Assistance: | | | | | |
| <i>Administered by County Finance Department:</i> | | | | | |
| ARRA - Drinking Water State Revolving Loan | 66.468 | | \$700,372 | | |
| ARRA - DWSRF Principal Forgiveness Loan | 66.468 | | 700,372 | | |
| Total U.S. Environmental Protection Agency | | | \$1,400,744 | \$0 | \$0 |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES: | | | | | |
| Administration on Aging: | | | | | |
| <i>Passed Through NC Department of Health and Human Services:</i> | | | | | |
| Aging Cluster: | | | | | |
| <i>Administered by County Finance Department:</i> | | | | | |
| Access 90% State Funds | N/A | NC-15 | | \$14,092 | \$1,566 |
| Access Title III-B | 93.044 | NC-15 | \$17,539 | 1,032 | 2,063 |
| Title III C-1 90% State Funds | N/A | NC-15 | | | |
| Title III C-1 Congregate Meals | 93.045 | NC-15 | 3,796 | 223 | 447 |
| ARRA Congregate Nutrition | 93.707 | | 4,716 | 277 | 555 |
| Congregate Meals | 93.707 | | 37,966 | 2,233 | 4,467 |
| Title III C-2 90% State Funds | N/A | NC-15 | | 13,390 | 1,488 |
| Title III C-2 Home-Delivered Meals | 93.045 | NC-15 | 24,052 | 1,415 | 2,830 |
| ARRA Home Delivered Meals | 93.705 | | 2,321 | 137 | 237 |
| Senior Center Development | N/A | NC-15 | | 3,163 | 1,054 |

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
For the Fiscal Year Ended June 30, 2010

| Grantor/Pass-Through Grantor/Program Title | CFDA Number | Grantor's Number | Expenditures | | |
|--|----------------|---------------------|------------------|-----------------|------------------|
| | | | Federal | State | Local |
| FEDERAL GRANTS | | | | | |
| <i>Administered by County Department of Social Services and County Council on Aging:</i> | | | | | |
| <i>In Home Services:</i> | | | | | |
| In-Home State | N/A | NC-15 | | \$29,728 | \$3,303 |
| In-Home Title III-B | 93.044 | NC-15 | \$11,042 | 650 | 1,299 |
| Social Services Block Grant | 93.667 | NC-15 | 12,530 | 358 | 1,432 |
| Operation Fan | N/A | N/A | | | 280 |
| Title III - F 90% | 93.043 | NC-15 | 2,096 | 123 | 247 |
| Total Aging Cluster | | | \$116,058 | \$66,821 | \$21,268 |
| Division of Public Health: | | | | | |
| <i>Passed Through NC Department of Health and Human Services:</i> | | | | | |
| <i>Administered by County Health Department:</i> | | | | | |
| Tuberculosis | N/A | | | \$5,107 | |
| Bioterrorism | 93.283 | | \$41,399 | | |
| Breast/Cervical Cancer | 93.919 | | 6,395 | 2,396 | |
| Healthy Start Baby Love Plus Initiative | 93.926 | | 43,102 | | |
| Risk Reduction/Health Promotion | 93.991 | | 15,262 | 6,217 | |
| Women's Preventative Health | 93.994 | | 18,744 | 14,060 | |
| Maternal Health | 93.994 | | 23,915 | 17,939 | |
| Child Care Coordination | 93.994 | | | 986 | |
| Child Health | 93.994 | | 17,117 | 12,840 | |
| Women's Preventative Health - TANF | 93.558 | | 2,818 | | |
| Family Planning | 93.217 | | 44,793 | 6,615 | |
| Chronic Disease | 93.283 | | 1,709 | 364 | |
| System for Public Health | 93.283 | | 127,037 | | |
| Total Division of Public Health | | | \$342,291 | \$66,524 | 0 |
| <i>Passed Through NC Department of Health and Human Services:</i> | | | | | |
| Division of Social Services: | | | | | |
| <i>Administered by County Department of Social Services:</i> | | | | | |
| Workfirst Administration | 93.558 | | \$57,380 | | \$40,773 |
| Workfirst Services | 93.558 | | 256,786 | | 237,409 |
| Workfirst Cash | N/A | | | | 189 |
| TANF Domestic Violence | 93.558 | | 7,175 | | |
| <i>Direct Benefit Payments:</i> | | | | | |
| Benefit Payments | 93.558 | | 264,888 | | |
| | | | \$586,229 | \$0 | \$278,371 |

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
For the Fiscal Year Ended June 30, 2010

| Grantor/Pass-Through Grantor/Program Title | CFDA Number | Grantor's Number | Expenditures | | |
|--|----------------|---------------------|--------------------|-----------------|------------------|
| | | | Federal | State | Local |
| FEDERAL GRANTS | | | | | |
| Title IV-D Administration | 93.563 | | \$118,636 | | \$61,115 |
| Low-Income Home Energy Assistance: | | | | | |
| Administration | 93.568 | | \$24,172 | | |
| Crisis Intervention Payments | 93.568 | | 124,628 | | |
| Direct Benefit Payments: | | | | | |
| Energy Assistance Payments | 93.568 | | 141,945 | | |
| | | | \$290,745 | \$0 | \$0 |
| Permanency Planning - Reg | 93.645 | | \$1,075 | | |
| Permanency Planning - Spec | 93.645 | | 1,142 | \$378 | |
| | | | \$2,217 | \$378 | \$0 |
| Foster Care and Adoption Cluster | | | | | |
| Title IV-E CPS | 93.658 | | \$22,458 | \$6,619 | \$15,839 |
| Title IV-E Optional | 93.658 | | 1,348 | | 1,348 |
| Direct Benefit Payments: | | | | | |
| Title IV-E Foster Care | 93.658 | | 147,049 | 29,726 | 29,724 |
| Title IV-E Adoption Subsidy | 93.659 | | 134,892 | | |
| Total Foster Care and Adoption Cluster | | | \$305,747 | \$36,345 | \$46,911 |
| Social Services Block Grant: | | | | | |
| Other Services and Training | 93.667 | | \$88,945 | \$899 | \$32,611 |
| In Home Services Fund | 93.667 | | 871 | | 290 |
| Total Social Services Block Grant | | | \$89,816 | \$899 | \$32,901 |
| Total Division of Social Services | | | \$1,393,390 | \$37,622 | \$419,298 |
| Division of Child Development: | | | | | |
| <i>Administered by County Department of Social Services:</i> | | | | | |
| Subsidized Child Care Cluster: | | | | | |
| CCDF Discretionary Subsidy | 93.575 | | \$86,537 | | |
| TANF to CCDF Discretionary | 93.575 | | 214,148 | | |
| CCDF Mandatory | 93.596 | | 102,171 | | |
| CCDF Match | 93.596 | | 254,589 | \$68,409 | |
| ARRA - CCDF | 93.713 | | 115,139 | | |
| Total Child Care Fund Cluster | | | \$772,584 | \$68,409 | \$0 |

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
For the Fiscal Year Ended June 30, 2010

| Grantor/Pass-Through Grantor/Program Title | CFDA Number | Grantor's Number | Expenditures | | |
|---|----------------|---------------------|---------------------|--------------------|------------------|
| | | | Federal | State | Local |
| FEDERAL GRANTS | | | | | |
| Temporary Assistance for Needy Families | 93.558 | | \$113,774 | | |
| SSBG Day Care | 93.667 | | 2,374 | | |
| TANF Contingency | 93.575 | | 61,338 | | |
| Smart Start TANF MOE | N/A | | | \$52,847 | |
| Smart Start | N/A | | | 236 | |
| Total Subsidized Child Care Cluster | | | \$177,486 | \$53,083 | \$0 |
| Total Division of Child Development | | | \$950,070 | \$121,492 | \$0 |
| Health Care Financing Administration: | | | | | |
| Passed Through NC Department of Health and Human Services: | | | | | |
| Division of Medical Assistance: | | | | | |
| <i>Administered by County Department of Social Services:</i> | | | | | |
| Medical Assistance Administration | 93.778 | | \$214,812 | | \$214,812 |
| Medical Assistance Expansion | 93.778 | | 9,225 | \$9,225 | |
| Adult Care Home Special/Case Management | 93.778 | | 4,903 | 3,616 | 78 |
| Direct Benefit Payments: | | | | | |
| Medical Assistance | 93.778 | | 21,804,788 | 7,703,313 | 1,419 |
| | | | \$22,033,728 | \$7,716,154 | \$216,309 |
| Division of Social Services: | | | | | |
| <i>Administration:</i> | | | | | |
| State Children's Insurance Program - NC Health Choice | 93.767 | | \$14,237 | \$1,112 | \$3,514 |
| Health Resources and Services Administration: | | | | | |
| Passed Through NC Department of Health and Human Services: | | | | | |
| Division of Public Health: | | | | | |
| <i>Administered by County Health Department:</i> | | | | | |
| Immunization Cluster: | | | | | |
| Immunization Grants | 93.268 | | \$41,399 | | |
| ARRA - Immunizations | 93.712 | | 9,139 | | |
| Total Immunizations Cluster | | | \$50,538 | \$0 | \$0 |
| Total U.S. Department of Health and Human Services | | | \$24,900,312 | \$8,009,725 | \$660,389 |
| TOTAL FEDERAL ASSISTANCE | | | \$49,010,513 | \$8,009,725 | \$660,389 |

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
 For the Fiscal Year Ended June 30, 2010

| Grantor/Pass-Through Grantor/Program Title | CFDA Number | Grantor's Number | Expenditures | | |
|---|----------------|---------------------|--------------|------------------|------------------|
| | | | Federal | State | Local |
| STATE PROGRAMS | | | | | |
| NC DEPARTMENT OF THE ADMINISTRATION: | | | | | |
| Division of Veteran Affairs: | | | | | |
| <i>Administered by County Veterans Office:</i> | | | | | |
| Veteran Affairs | | N/A | \$0 | \$2,000 | \$0 |
| NC DEPARTMENT OF JUVENILE JUSTICE & DELINQUENCY PREVENTION: | | | | | |
| <i>Administered by County Finance Department:</i> | | | | | |
| Juvenile Crime Prevention: | | | | | |
| Juvenile Crime Prevention Administration | | N/A | | \$6,650 | |
| Psychological Services | | N/A | | 2,100 | |
| Family Preservation | | N/A | | 14,205 | |
| SEED Program | | N/A | | 10,975 | |
| Juvenile Restitution | | N/A | | 46,758 | |
| Total NC Department of Juvenile Justice & Delinquency Prevention | | | \$0 | \$80,688 | \$0 |
| NC DEPARTMENT OF HEALTH & HUMAN SERVICES: | | | | | |
| Division of Social Services: | | | | | |
| <i>Administered by County Department of Social Services:</i> | | | | | |
| State Aid to Counties | | N/A | | | \$34,430 |
| Direct Benefit Payment: | | | | | |
| SC/SA Domiciliary Care Payments | | N/A | | \$282,982 | 282,982 |
| | | | \$0 | \$282,982 | \$317,412 |
| Division of Public Health: | | | | | |
| <i>Administered by County Health Department:</i> | | | | | |
| General | | N/A | | \$110,417 | |
| Tuberculosis | | N/A | | 3,578 | |
| Communicable Disease | | N/A | | 10,623 | |
| TB Medical | | N/A | | 1,529 | |
| Aids - State | | N/A | | 500 | |
| Child Health Training | | N/A | | 91,171 | |
| LHD Smoke Free Law | | N/A | | 441 | |
| Family Strengthening Initiative | | N/A | | 22,564 | |
| | | | \$0 | \$240,823 | \$0 |
| Total NC Department of Health and Human Services | | | \$0 | \$523,805 | \$317,412 |

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
For the Fiscal Year Ended June 30, 2010

| Grantor/Pass-Through Grantor/Program Title | CFDA Number | Grantor's Number | Expenditures | | |
|--|----------------|---------------------|---------------------|--------------------|------------------|
| | | | Federal | State | Local |
| STATE PROGRAMS | | | | | |
| NC DEPARTMENT OF TRANSPORTATION: | | | | | |
| <i>Administered by County Finance Department:</i> | | | | | |
| ROAP Funds | N/A | | | \$135,062 | |
| Transportation Admin. Grant | N/A | | | 94,515 | |
| Total NC Department of Transportation | | | \$0 | \$229,577 | \$0 |
| NC DEPARTMENT OF CORRECTIONS: | | | | | |
| Division of Community Corrections: | | | | | |
| <i>Administered by County Sheriff's Department:</i> | | | | | |
| Criminal Justice Partnership | N/A | G0799-1-A | \$0 | \$30,167 | \$0 |
| North Carolina Rural Center: | | | | | |
| <i>Administered by County Finance Department:</i> | | | | | |
| Economic Renovation | N/A | | | \$204,677 | |
| Total North Carolina Rural Center | | | \$0 | \$204,677 | \$0 |
| North Carolina Department of Public Instruction: | | | | | |
| <i>Administered by County Finance Department:</i> | | | | | |
| Public School Building Capital Fund - Lottery | N/A | | | \$561,334 | |
| Total North Carolina Department of Public Instruction | | | \$0 | \$561,334 | \$0 |
| NORTH CAROLINA'S EASTERN REGION: | | | | | |
| <i>Administered by County Finance Department:</i> | | | | | |
| Flex-Cap Local Grant - Strategic Plan | N/A | | | \$15,000 | |
| Flex-Cap Local Grant - Marketing | N/A | | | 5,693 | |
| Total North Carolina's Eastern Region | | | \$0 | \$20,693 | \$0 |
| NORTH CAROLINA HOUSING FINANCING AGENCY: | | | | | |
| <i>Administered by County Finance Department:</i> | | | | | |
| 2008 Single Family Rehab | N/A | 2008-0011 | \$0 | \$95,115 | \$0 |
| TOTAL STATE ASSISTANCE | | | \$0 | \$1,748,056 | \$317,412 |
| TOTAL FEDERAL AND STATE ASSISTANCE | | | \$49,010,513 | \$9,757,781 | \$977,801 |

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
For the Fiscal Year Ended June 30, 2010

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of Greene County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the 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 basic financial statements. Benefit payments are paid directly to recipients and are not included in the County's basic 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. LOANS OUTSTANDING

Greene County had the following loan balances outstanding at June 30, 2010. The expended portion of these loan proceeds are included in the federal expenditures presented in the schedule.

| Program Title | CFDA Number | Amount of Interim Financing |
|--|----------------|-----------------------------------|
| Community Facilities Loans & Grants Interim financing expected to be Refinanced with USDA loans \$10,500,000 loan, \$5,927,267 Expenditures to date | 10.766 | \$10,500,000 |
| Water and Waste Water Disposal Systems for Rural Communities BAN Proceeds expected to be Refinanced with USDA loans \$6,202,000 BAN Proceeds, \$2,481,926 Expenditures to date | 10.760 | 6,202,000 |
| Water and Waste Water Disposal Systems for Rural Communities BAN Proceeds expected to be Refinanced with USDA loans \$3,800,000 BAN Proceeds, \$3,800,000 Expenditures to date | 10.760 | 3,800,000 |
| Community Facilities Loans & Grants Supplemental Loan expected to be Refinanced with USDA loans \$2,737,000 loan, \$2,241,414 Expenditures to date | 10.766 | 2,737,000 |

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