

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

FINANCIAL STATEMENTS

For The Fiscal Year Ended June 30, 2011

**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 – 59

REQUIRED SUPPLEMENTARY INFORMATION

STATEMENT

Law Enforcement Officers' Special Separation Allowance:
 1 Schedule of Funding Progress..... 60
 2 Schedule of Employer Contributions and Notes to the Required Schedules..... 61
Other Postemployment Benefits:
 3 Schedule of Funding Progress..... 62
 4 Schedule of Employer Contributions and Notes to the Required Schedules..... 63

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	64 – 71
6	Statement of Revenues, Expenditures and Changes in Fund Balance – Jail Construction / Court House Renovation Capital Project Fund – Budget and Actual.....	72
7	Combining Balance Sheet – Nonmajor Governmental Funds	73 – 74
8	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	75 – 76
9	Fire District Funds	77
10	Property Revaluation Fund.....	78
11	Emergency Telephone System Fund.....	79
12	April 2011 Tornado Fund.....	80
13	Yamco Expansion Project Fund.....	81
14	2009 Community Development Block Grant.....	82
15	School Capital Finance Fund	83
16	American Prawn Cooperative Project Fund	84
17	Intermediate School Project Fund	85
18	Utility Fund.....	86 – 87
19	Utility Capital Reserve Fund.....	88
20	Utility Alternative Water Supply Capital Reserve Fund.....	89
21	Utility Cutter Creek Sewer Construction Project Fund	90
22	Utility Alternative Water Phase 1A Project Fund.....	91
23	Utility Alternative Water Phase 1C Project Fund.....	92
24	Utility Alternative Water Phase 1F Project Fund	93
25	Water and Sewer District 1 Capital Project Fund	94
26	Landfill Fund.....	95 – 96
27	Transportation System Fund.....	97
28	ASO-Self Funded Medical Insurance Internal Service Fund	98
29	Combining Statement of Changes in Assets and Liabilities – Agency Funds	99

STATISTICAL SECTION:

30 Statement of Ad Valorem Taxes Receivable 100

31 Analysis of Current Tax Levy – County-Wide Levy 101

32 Ten Largest Taxpayers 102

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* 103 – 104

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 105 – 106

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..... 107 – 108

1 Schedule of Findings and Questioned Costs 109 – 115

2 Corrective Action Plan 116 – 117

3 Summary Schedule of Prior Audit Findings 118

4 Schedule of Expenditures of Federal and State Financial Awards 119 – 126

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

NOTE

I	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	24 - 32
II	STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY	32 - 33
III	DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS	34 - 56
IV	RELATED ORGANIZATIONS	56
V	JOINT VENTURES	57
VI	JOINTLY GOVERNED ORGANIZATIONS	57 - 58
VII	BENEFIT PAYMENTS ISSUED BY THE STATE	58
VIII	SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES	58
IX	MAJOR ENTERPRISE CUSTOMER	58
X	CUTTER CREEK.....	59
XI	SPECIAL ITEMS	59

FINANCIAL SECTION



BARROW, PARRIS & DAVENPORT, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
662 SUSSEX STREET
KINSTON, NORTH CAROLINA 28504-8319

EDWARD L. BARROW, CPA
JAY A. PARRIS, CPA
L. DOCK DAVENPORT II, CPA

MEMBERS
NORTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

MAILING ADDRESS
POST OFFICE BOX 6069
KINSTON, NC 28501-0069
TELEPHONE: (252) 522-5200
FAX: (252) 523-6366

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, 2011, 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, 2011, 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 13, 2011 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 13, 2011

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, 2011. 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

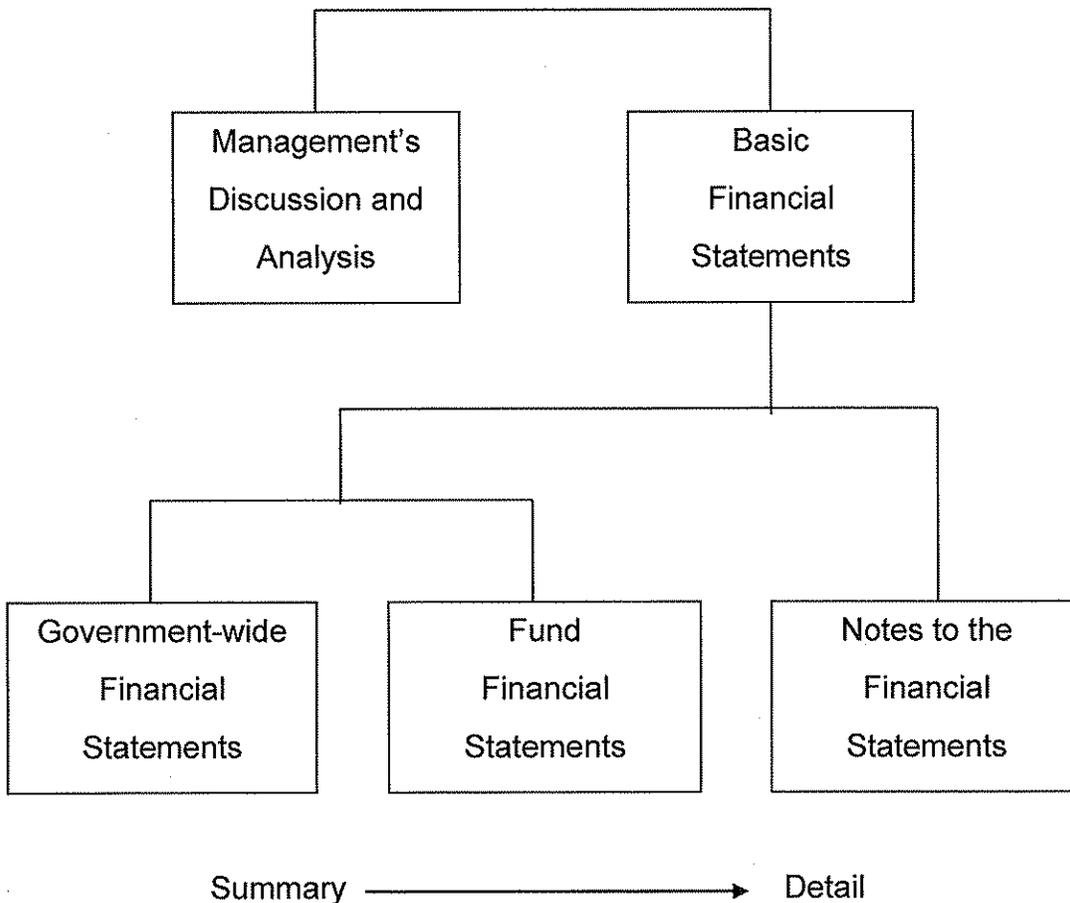
- The assets of Greene County exceeded its liabilities at the close of the fiscal year by \$37,094,846.
- The government's total net assets increased by \$4,406,166, primarily due to increased net assets in the Utility Fund. This compares to an increase of \$2,815,918 in 2010.
- As of the close of the current fiscal year, Greene County's governmental funds (which include the general, special revenue and capital projects funds) reported combined ending fund balances of \$4,924,986, a decrease of \$5,408,001 in comparison with the previous year. Approximately 42.65% of this total amount, or \$2,100,614 is available for spending at the government's discretion (unassigned fund balance). In 2010, the unreserved fund balance was \$2,274,170, or 9.35% of expenditures.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$2,434,330, or 14.37% of total General Fund expenditures for the fiscal year. In 2010, unreserved fund balance in the General Fund was \$1,243,236 or 7.59% of total General Fund expenditures.
- Greene County's total debt decreased by \$817,872, or 2.70% during the current fiscal year. New debt totaling \$17,189,127 was issued during the current fiscal year. Of this amount, \$15,930,314 represents Bond Anticipation Notes received in prior years for the Jail Construction Project and the Greenville Utilities Commission Waterline Improvements Project Phase 1A that were refinanced with the United States Department of Agriculture (USDA) during the fiscal year. Other key factors in new issuances include 1) USDA funds to complete construction of the Greene County Intermediate School; and 2) Drinking Water State Revolving Funds Program (DWSRF) funds to complete construction of the Greenville Utilities Commission Waterline Improvements Project Phase 1F.
- Construction began on the \$14,000,000 Greene County Intermediate School Project during the year. Construction in progress will be carried by the County on the Government-wide Statement of Net Assets until construction is complete. Title to the asset will be transferred to the Greene County Board of Education upon completion of the project. The County has entered into two installment purchase contracts with USDA that will total \$13,600,000. The remaining \$400,000 will be provided in the form of a grant from USDA.

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 61.

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 \$37,094,846 as of June 30, 2011. As of June 30, 2010, the net assets of Greene County stood at \$32,688,680. The County's net assets increased by \$4,406,166 for the fiscal year ended June 30, 2011, compared to an increase of \$2,815,918 in 2010. One of the largest portions, \$27,518,939 (74.19%), 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 \$9,218,165 (24.85%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$357,742 (0.96%) is unrestricted. In 2010, the amount of net assets invested in capital assets net of related debt was \$23,868,958, with restricted assets standing at \$7,719,128. The remaining \$1,100,594 was unrestricted net assets for that year.

Greene County's Net Assets

Figure 2

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$7,086,940	\$12,101,458	\$8,166,587	\$11,093,270	\$15,253,527	\$23,194,728
Capital assets	17,082,485	13,320,937	39,404,280	34,449,808	56,486,765	47,770,745
Total assets	\$24,169,425	\$25,422,395	\$47,570,867	\$45,543,078	\$71,740,292	\$70,965,473
Long-term liabilities outstanding	\$12,334,575	\$12,703,695	\$12,004,869	\$19,641,500	\$24,339,444	\$32,345,195
Other liabilities	2,104,413	1,509,846	8,201,589	4,421,752	10,306,002	5,931,598
Total liabilities	\$14,438,988	\$14,213,541	\$20,206,458	\$24,063,252	\$34,645,446	\$38,276,793
Net assets:						
Invested in capital	\$6,311,077	\$6,702,954	\$21,207,862	\$17,166,004	\$27,518,939	\$23,868,958
Restricted	2,896,472	46,300	6,321,693	7,672,828	9,218,165	7,719,128
Unrestricted	522,888	4,459,600	(165,146)	(3,359,006)	357,742	1,100,594
Total net assets	\$9,730,437	\$11,208,854	\$27,364,409	\$21,479,826	\$37,094,846	\$32,688,680

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 decreased slightly from 96.34% to 95.35%.
- Continued attention by the County's department heads and employees to contain and reduce spending where possible.
- The County completed construction of the new jail facility and continued construction of the Greenville Utilities Commission Waterline Project.
- The County reimbursed the general fund for funds used during the jail construction and the recreation park.

Greene County Changes in Net Assets
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for Services	\$1,388,796	\$1,590,368	\$3,356,180	\$2,816,955	\$4,744,976	\$4,407,323
Operating Grants and Contributions	5,492,873	5,213,392	961,458	850,421	6,454,331	6,063,813
Capital Grants and Contributions	310,665	1,139,766	4,881,702	2,237,578	5,192,367	3,377,344
General Revenues:						
Property Taxes	8,468,264	8,191,533			8,468,264	8,191,533
Local Option Sales Tax	1,903,515	2,117,348			1,903,515	2,117,348
Other Taxes	62,724	45,643			62,724	45,643
Grants and Contributions not restricted to Specific Programs	83,648	26,915			83,648	26,915
Investment Earnings	8,068	33,445	12,506	16,807	20,574	50,252
Other	53,062	80,569			53,062	80,569
Total revenues	\$17,771,615	\$18,438,979	\$9,211,846	\$5,921,761	\$26,983,461	\$24,360,740
Expenses:						
General Government	\$2,449,100	\$2,313,797			\$2,449,100	\$2,313,797
Public Safety	4,955,910	4,921,303			4,955,910	4,921,303
Environmental Protection	55,521	36,163			55,521	36,163
Economic and Physical Development	576,240	542,484			576,240	542,484
Human Services	6,353,920	6,714,846			6,353,920	6,714,846
Cultural and Recreation	491,229	508,537			491,229	508,537
Education	3,027,219	3,458,683			3,027,219	3,458,683
Interest on Long-Term Debt	421,471	58,978			421,471	58,978
Utility			\$2,314,851	\$1,928,334	2,314,851	1,928,334
Landfill			647,868	649,706	647,868	649,706
Nonmajor Enterprise Activities			499,747	411,991	499,747	411,991
Total expenses	\$18,330,610	\$18,554,791	\$3,462,466	\$2,990,031	\$21,793,076	\$21,544,822
Increase (Decrease) in net assets before transfers and special items	(\$558,995)	(\$115,812)	\$5,749,380	\$2,931,730	\$5,190,385	\$2,815,918
Transfers	(128,683)	(411,101)	128,683	411,101		
Sales of Fixed Assets			6,520		6,520	
Special Items - Disposal of Fixed Assets	(790,739)				(790,739)	
Increase (Decrease) in net assets	(\$1,478,417)	(\$526,913)	\$5,884,583	\$3,342,831	\$4,406,166	\$2,815,918
Net assets, July 1	11,208,854	11,735,767	21,479,826	18,136,995	32,688,680	29,872,762
Net assets, June 30	\$9,730,437	\$11,208,854	\$27,364,409	\$21,479,826	\$37,094,846	\$32,688,680

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

Governmental activities. Governmental activities decreased the County's net assets by \$1,478,417. This compares to a decrease of \$526,913 in 2010. The key elements of this year's decrease are as follows:

- Sales Tax revenues were over budget by approximately \$302,564.
- A large number of County departments finished up the fiscal year well under the budgeted amount for each department.
- Special Items – Loss on Disposal of Fixed Assets of \$790,739 due to donations of equipment and buildings made by the County (See Note XI).

Business-type activities. Business-type activities increased Greene County's net assets by \$5,884,583. Net assets increased by \$3,342,831 in 2010. The key elements of this increase are as follows:

- The County received a number of loans and grants for the continued construction of the Greenville Utilities Commission Waterline Project.
- Increased collection of tipping fees in the County Landfill due to the April tornado outbreaks.

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, fund balance available for appropriation 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, the County's fund balance available in the General Fund was \$2,434,330, while total fund balance reached \$5,106,378. As a measure of the general fund's liquidity, it may be useful to compare both fund balance available and total fund balance to total fund expenditures. Fund balance available represents 14.37% of total General Fund expenditures, while total fund balance represents 30.15% of that same amount.

At June 30, 2011, the governmental funds of Greene County reported a combined fund balance of \$4,924,986, a 52.34% 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 \$1,691,337 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 \$45,937.
- The County's budget was amended to receive an additional \$120,000 of Medicaid Hold Harmless dollars.
- A new Afterschool program was offered by the County with \$20,300 in parent fees added to the budget to operate the program.
- The County also budgeted \$63,117 for the balance of unspent loan proceeds for the NW Greene Industrial Park Construction. The balance of the funds were used to reduce the term of the loan and the loan will be paid off at an earlier date.

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

- An additional \$50,120 was budgeted for the sale of county property.
- During the year \$139,985 was budgeted from fund balance for the purposes of Health Department escrow funds being needed to offset operation costs, a capital asset purchase for the recreation department, and for the cost of housing three abused horses.
- Federal and State Grant amounts were revised by the State during the fiscal year amounting to an increase of \$754,183. This included various grants related to the American Recovery and Reinvestment Act of 2009 (ARRA).
- The County's budget was amended to account for appropriations to fund additional County services and expenditures in the amount of approximately \$454,700.

Capital Asset and Debt Administration

Capital Assets. Greene County's capital assets for its government and business-type activities as of June 30, 2011, totals \$56,486,765 (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.
- The new County jail facility was completed in January 2011. The jail construction loan was 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	
	2011	2010	2011	2010	2011	2010
Land	\$650,923	\$623,626	\$328,202	\$328,202	\$979,125	\$951,828
Buildings and System	14,013,159	4,575,636	25,113,063	17,179,823	39,126,222	21,755,459
Machinery and Equipment	210,967	204,648	104,778	126,034	315,745	330,682
Vehicles and Motorized Equipment	208,191	701,079	155,081	222,401	363,272	923,480
Construction in Progress	1,999,245	7,215,948	13,703,156	16,593,348	15,702,401	23,809,296
	\$17,082,485	\$13,320,937	\$39,404,280	\$34,449,808	\$56,486,765	\$47,770,745

Additional information on the County's capital assets can be found in note III.A.6 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, 2011, Greene County had \$0 in bonded debt outstanding.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Notes Payable	\$179,218		\$10,831	\$168,387
Global Transpark Development Zone Loan	548,165		220,942	327,223
Installment Purchase Contracts	11,012,525	\$10,472,044	10,713,160	10,771,409
Total Governmental Activities	<u>\$11,739,908</u>	<u>\$10,472,044</u>	<u>\$10,944,933</u>	<u>\$11,267,019</u>
Business-type Activities:				
Installment Purchase Contract	\$2,863,009		\$612,834	\$2,250,175
Bond Anticipation Notes	12,739,000		6,202,000	6,537,000
Clean Water Bond Loan	2,239,020		172,232	2,066,788
General Obligation Indebtedness		\$6,202,000		6,202,000
DWSRF Revolving Loan	700,372	515,083	75,000	1,140,455
Total Business-type Activities	<u>\$18,541,401</u>	<u>\$6,717,083</u>	<u>\$7,062,066</u>	<u>\$18,196,418</u>

Greene County's total debt decreased by \$817,872 (2.70%) during the past fiscal year. New debt for the Greene County Intermediate School was issued to the County for \$743,730 and additional monies pertaining to the DWSRF Revolving Loan were issued in the amount of \$515,083. The \$10,500,000 jail construction interim financing and the \$6,202,000 GUC Waterline Project Phase 1A Bond Anticipation Note, "(BAN)" proceeds were refinanced during the fiscal year with USDA. The County also has debt retirement of \$1,304,999 along with \$771,686 of installment purchase obligation repaid to USDA for the Jail Construction loan that was refinanced.

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 \$79,604,328. The County has \$0 in bonds authorized but unissued at June 30, 2011.

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 indicators reflects the current climate in Greene County.

- The County has experienced a significant increase in its employment rate. As of June 30, 2011, the County unemployment rate was 6.4% as compared with the State average of 10.4%.
- 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. The County anticipates being able to move water beginning January of 2012.
- Construction began for the Greene County Intermediate School. USDA is funding this project at \$14,000,000 to include loans and grants. The school will house fourth and fifth graders and is scheduled to open at the beginning of the 2012-2013 school year.

Budget Highlights for the Fiscal Year Ending June 30, 2012

Governmental Activities: The expenditures in the General Fund are budgeted to decrease approximately 7%.

- 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 2011 - 2012 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 in shared revenues of beer and wine revenues due to these revenues being recaptured by the State to balance their budget.
- The County has awarded bids to renovate the existing courthouse and provide additional space for the Register of Deeds and the Clerk of Superior Court staff as well as one small additional courtroom. The estimated cost of the renovation is \$834,068.

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

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, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Greene County ABC Board
<u>ASSETS</u>				
Assets:				
Cash and Cash Equivalents	\$4,413,026	\$457,733	\$4,870,759	\$149,657
Receivables (Net)	949,089	569,611	1,518,700	
Due From Other Governments	1,091,407	1,178,383	2,269,790	
Internal Balances	243,273	(243,273)		
Inventories				110,748
Prepaid Items				7,113
Restricted Cash and Cash Equivalents		6,204,133	6,204,133	
Notes Receivable:				
Due within one year	146,543		146,543	
Due in more than one year	243,602		243,602	
Capital Assets:				
Land, Improvements, and Construction in Progress	2,650,168	14,031,358	16,681,526	12,055
Other Capital Assets, Net of Depreciation	14,432,317	25,372,922	39,805,239	13,515
Total Capital Assets	\$17,082,485	\$39,404,280	\$56,486,765	\$25,570
Total Assets	\$24,169,425	\$47,570,867	\$71,740,292	\$293,088
<u>LIABILITIES AND NET ASSETS</u>				
Liabilities:				
Accounts Payable and Accrued Expenses	\$1,456,067	\$696,024	\$2,152,091	\$47,846
Unearned Revenue	86,861		86,861	
Accrued Interest Payable	397,679	59,732	457,411	
Customer Deposits		126,842	126,842	
Long-term Liabilities:				
Due within one year	163,806	7,318,991	7,482,797	
Due in more than one year	12,334,575	12,004,869	24,339,444	
Total Liabilities	\$14,438,988	\$20,206,458	\$34,645,446	\$47,846
Net Assets:				
Invested in Capital Assets, Net of Related Debt	\$6,311,077	\$21,207,862	\$27,518,939	\$25,570
Restricted for:				
Public Safety	35,063		35,063	
Register of Deeds	50,528		50,528	
Stabilization by State Statute	2,460,498		2,460,498	
Human Services	350,383		350,383	
Alternative Water Supply		5,070,629	5,070,629	
Capital Projects		1,251,064	1,251,064	
Unrestricted	522,888	(165,146)	357,742	219,672
Total Net Assets	\$9,730,437	\$27,364,409	\$37,094,846	\$245,242

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

GREENE COUNTY, NORTH CAROLINA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$2,449,100	\$86,162	\$30,800	
Public Safety	4,955,910	1,250,656	745,749	\$36,471
Environmental Protection	55,521		76,078	
Economic and Physical Development	576,240		31,799	131,391
Human Services	6,353,920		4,600,697	
Cultural and Recreation	491,229	51,978	3,250	
Education	3,027,219		4,500	142,803
Interest on Long-Term Debt	421,471			
Total Governmental Activities	\$18,330,610	\$1,388,796	\$5,492,873	\$310,665
Business-type Activities:				
Utility Fund (Water and Sewer)	\$2,314,851	\$2,377,918	\$961,458	\$4,652,188
Landfill Fund	647,868	779,535		
Transportation Fund	499,747	198,727		229,514
Total Business-type Activities	\$3,462,466	\$3,356,180	\$961,458	\$4,881,702
	\$21,793,076	\$4,744,976	\$6,454,331	\$5,192,367
Component Unit:				
ABC Board	\$663,063	\$661,453		
Total Component Unit	\$663,063	\$661,453	\$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
- Sale of Fixed Assets
- Special Items - Disposal of Fixed Assets
- 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			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Greene County ABC Board
(\$2,332,138)		(\$2,332,138)	
(2,923,034)		(2,923,034)	
20,557		20,557	
(413,050)		(413,050)	
(1,753,223)		(1,753,223)	
(436,001)		(436,001)	
(2,879,916)		(2,879,916)	
(421,471)		(421,471)	
(\$11,138,276)	\$0	(\$11,138,276)	
	\$5,676,713	\$5,676,713	
	131,667	131,667	
	(71,506)	(71,506)	
\$0	\$5,736,874	\$5,736,874	
(\$11,138,276)	\$5,736,874	(\$5,401,402)	
			(\$1,610)
\$8,468,264		\$8,468,264	
1,903,515		1,903,515	
62,724		62,724	
83,648		83,648	
8,068	\$12,506	20,574	\$615
	6,520	6,520	
(790,739)		(790,739)	
53,062		53,062	51
(128,683)	128,683		
\$9,659,859	\$147,709	\$9,807,568	\$666
(\$1,478,417)	\$5,884,583	\$4,406,166	(\$944)
11,208,854	21,479,826	32,688,680	246,186
\$9,730,437	\$27,364,409	\$37,094,846	\$245,242

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

GREENE COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

	Major		Non-Major	Total Governmental Funds
	General	Jail Construction Capital Project Fund	Other Governmental Funds	
ASSETS:				
Cash and Cash Equivalents	\$3,395,040		\$951,052	\$4,346,092
Receivables, Net	714,778		136,863	851,641
Due From Other Governments	820,523	\$3,327	267,557	1,091,407
Due From Other Funds	684,925		6,538	691,463
Current Portion - Notes Receivable	146,543			146,543
Notes Receivable	243,602			243,602
TOTAL ASSETS	\$6,005,411	\$3,327	\$1,362,010	\$7,370,748
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable and Accrued Liabilities	\$286,605		\$1,069,811	\$1,356,416
Due to Other Funds	19,145	\$337,043	92,002	448,190
Unearned Revenue	86,861			86,861
Deferred Revenue	506,422		47,873	554,295
Total Liabilities	\$899,033	\$337,043	\$1,209,686	\$2,445,762
<i>Fund Balances:</i>				
Restricted:				
Stabilization by State Statute	\$2,103,949		\$356,549	\$2,460,498
Register of Deeds	50,528			50,528
Health Department	350,383			350,383
Sheriff Department	35,063			35,063
Capital Outlay	132,125			132,125
Committed:				
Tax Revaluation			221,966	221,966
Assigned:				
Special Revenue Funds			595,727	595,727
Capital Project Funds			(1,021,918)	(1,021,918)
Unassigned:	2,434,330	(\$333,716)		2,100,614
Total Fund Balances	\$5,106,378	(\$333,716)	\$152,324	\$4,924,986
TOTAL LIABILITIES AND FUND BALANCES	\$6,005,411	\$3,327	\$1,362,010	

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.	17,082,485
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	97,448
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.	15,156
Liabilities for earned but deferred revenues in fund statements.	506,422
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 (Note 7).	(12,896,060)
Net Assets of Governmental Activities	\$9,730,437

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, 2011

	Major		Non-major	Total Governmental Funds
	General	Jail Construction Project Fund	Other Governmental Funds	
REVENUES:				
Ad Valorem Taxes	\$7,856,142		\$506,035	\$8,362,177
Local Option Sales Taxes	1,903,515			1,903,515
Other Taxes and Licenses	62,724			62,724
Unrestricted Intergovernmental	83,648			83,648
Restricted Intergovernmental	4,974,355		794,520	5,768,875
Permits and Fees	200,561			200,561
Sales and Services	1,146,761			1,146,761
Investment Earnings	2,609	\$4,035	1,421	8,065
Miscellaneous	77,255		67,456	144,711
Total Revenues	\$16,307,570	\$4,035	\$1,369,432	\$17,681,037
EXPENDITURES:				
<i>Current:</i>				
General Government	\$2,262,866		\$830	\$2,263,696
Public Safety	4,203,293	\$2,859,442	669,031	7,731,766
Environmental Protection	55,521			55,521
Economic and Physical Development	378,451		196,844	575,295
Human Services	6,366,605			6,366,605
Cultural and Recreational	426,617			426,617
<i>Intergovernmental:</i>				
Education	2,884,416		1,750,807	4,635,223
Capital Outlay			396,426	396,426
<i>Debt Service:</i>				
Principal	325,396		119,534	444,930
Interest	32,189		11,131	43,320
Total Expenditures	\$16,935,354	\$2,859,442	\$3,144,603	\$22,939,399
Excess (Deficiency) of Revenues Over Expenditures	(\$627,784)	(\$2,855,407)	(\$1,775,171)	(\$5,258,362)
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds			\$130,666	\$130,666
Transfers to Other Funds	(\$259,349)			(259,349)
Installment Purchase Obligation Issued			743,730	743,730
Installment Purchase Obligation Repaid		(\$771,686)		(771,686)
Sale of Fixed Assets	7,000			7,000
Total Other Financing Sources (Uses)	(\$252,349)	(\$771,686)	\$874,396	(\$149,639)
Net Change in Fund Balance	(\$880,133)	(\$3,627,093)	(\$900,775)	(\$5,408,001)
<i>Fund Balances, Beginning</i>	5,986,511	3,293,377	1,053,099	10,332,987
FUND BALANCES, ENDING	\$5,106,378	(\$333,716)	\$152,324	\$4,924,986

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, 2011

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

Net changes in fund balances - total governmental funds (\$5,408,001)

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.

Capital outlay expenditures which are capitalized	\$5,039,450	
Depreciation expense for governmental assets	<u>(437,354)</u>	4,602,096

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Change in deferred revenues for taxes and interest	106,085
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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.

New Issuances of long term debt	(\$10,472,044)	
Principal payments on long term debt	10,944,933	
Increase in accrued interest payable	<u>(378,151)</u>	94,738

Net Book Value of Assets Sold	(49,809)
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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.

Compensated absences	(\$3,818)	
Net pension obligation	(20,246)	
Other postemployment benefits	(243,508)	
Net gain of internal service fund determined to be governmental-type	234,785	
Special Items - Loss on Disposals of Assets	<u>(790,739)</u>	(823,526)

Total Changes in Net Assets of Governmental Activities	<u><u>(\$1,478,417)</u></u>
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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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
Revenues:				
Ad Valorem Taxes	\$7,978,044	\$7,981,044	\$7,856,142	(\$124,902)
Local Option Sales Taxes	2,264,865	2,264,865	1,903,515	(361,350)
Other Taxes and Licenses	76,000	81,000	62,724	(18,276)
Unrestricted Intergovernmental	82,000	82,000	83,648	1,648
Restricted Intergovernmental	5,382,671	6,917,676	4,974,355	(1,943,321)
Permits and Fees	252,100	252,100	200,561	(51,539)
Sales and Services	1,411,607	1,431,907	1,146,761	(285,146)
Investment Earnings	60,300	60,300	2,609	(57,691)
Miscellaneous	51,236	95,731	77,255	(18,476)
Total Revenues	\$17,558,823	\$19,166,623	\$16,307,570	(\$2,859,053)
Expenditures:				
<i>Current:</i>				
General Government	\$2,361,664	\$2,423,050	\$2,262,866	\$160,184
Public Safety	4,307,794	4,471,409	4,203,293	268,116
Environmental Protection	62,090	62,090	55,521	6,569
Economic and Physical Development	394,040	863,158	378,451	484,707
Human Services	6,549,084	7,449,165	6,366,605	1,082,560
Cultural and Recreational	402,180	436,080	426,617	9,463
<i>Intergovernmental:</i>				
Education	2,943,202	2,943,202	2,884,416	58,786
<i>Debt Service:</i>				
Principal Retirement	224,972	338,209	325,396	12,813
Interest	32,648	32,648	32,189	459
Total Expenditures	\$17,277,674	\$19,019,011	\$16,935,354	\$2,083,657
Revenues Over (Under) Expenditures	\$281,149	\$147,612	(\$627,784)	(\$775,396)
Other Financing Sources (Uses):				
Transfers To Other Funds	(\$316,149)	(\$266,149)	(\$259,349)	\$6,800
Capital lease Obligations Issued	20,000	20,000		(20,000)
Installment Purchase Obligations Issued		63,117		(63,117)
Sale of Fixed Assets	15,000	15,000	7,000	(8,000)
Appropriated Fund Balance		20,420		(20,420)
Total Other Financing Sources (Uses)	(\$281,149)	(\$147,612)	(\$252,349)	(\$104,737)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$0	\$0	(\$880,133)	(\$880,133)
Fund Balances:				
<i>Beginning of Year, July 1</i>			5,986,511	
End of Year, June 30			\$5,106,378	

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

GREENE COUNTY, NORTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2011

	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	\$302,703	\$36,221	\$118,809	\$457,733	\$66,934
Receivables, Net	524,348	44,975	288	569,611	
Due From Other Governments	953,806	208,958	15,619	1,178,383	
Due From Other Funds	149,526	12,607		162,133	
Total Current Assets	\$1,930,383	\$302,761	\$134,716	\$2,367,860	\$66,934
<i>Noncurrent Assets:</i>					
Restricted Cash and Cash Equivalents	\$6,204,133			\$6,204,133	
<i>Capital Assets:</i>					
Land, Improvements, and Construction in Progress	13,872,924	\$158,434		14,031,358	
Other Capital Assets, Net of Depreciation	25,043,274	127,106	\$202,542	25,372,922	
Total Capital Assets	\$38,916,198	\$285,540	\$202,542	\$39,404,280	\$0
Total Noncurrent Assets	\$45,120,331	\$285,540	\$202,542	\$45,608,413	\$0
TOTAL ASSETS	\$47,050,714	\$588,301	\$337,258	\$47,976,273	\$66,934
LIABILITIES AND NET ASSETS					
<i>Liabilities:</i>					
<i>Current Liabilities:</i>					
Accounts Payable and Accrued Liabilities	\$647,998	\$41,044	\$6,982	\$696,024	\$51,778
Due to Other Funds	255,880	90,767	58,759	405,406	
Accrued Interest Payable	59,732			59,732	
Customer Deposits	126,842			126,842	
Installment Purchase Contract Payable	609,759			609,759	
Bond Anticipation Notes	6,537,000			6,537,000	
Clean Water Bond Loan Payable	172,232			172,232	
Total Current Liabilities	\$8,409,443	\$131,811	\$65,741	\$8,606,995	\$51,778
<i>Noncurrent Liabilities:</i>					
Landfill Closure and Postclosure Care Costs		\$996,343		\$996,343	
Compensated Absences	\$32,915	13,572	\$22,227	68,714	
Other Postemployment Benefits	41,184	14,837	6,364	62,385	
Installment Purchase Contract Payable	8,982,871			8,982,871	
Clean Water Bond Loan Payable	1,894,556			1,894,556	
Total Noncurrent Liabilities	\$10,951,526	\$1,024,752	\$28,591	\$12,004,869	\$0
TOTAL LIABILITIES	\$19,360,969	\$1,156,563	\$94,332	\$20,611,864	\$51,778
<i>Net Assets:</i>					
Invested in Capital Assets, Net of Related Debt	\$20,719,780	\$285,540	\$202,542	\$21,207,862	
Restricted for Alternative Water Supply	5,070,629			5,070,629	
Restricted for Capital Projects	1,251,064			1,251,064	
Unrestricted	648,272	(853,802)	40,384	(165,146)	\$15,156
Total Net Assets	\$27,689,745	(\$568,262)	\$242,926	\$27,364,409	\$15,156

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, 2011

	Enterprise Funds			Totals	Internal Service Fund
	Major Fund Utility	Major Fund Landfill	Non-major Fund Transportation		
OPERATING REVENUES:					
Water and Sewer Sales	\$2,262,285			\$2,262,285	
Water and Sewer Tap Fees and Service Charges	74,706			74,706	
Landfill Fees		\$779,535		779,535	
County Contributions					\$1,491,564
Other Operating Revenues	40,927		\$198,727	239,654	
Total Operating Revenues	\$2,377,918	\$779,535	\$198,727	\$3,356,180	\$1,491,564
OPERATING EXPENSES					
Salaries and Employee Benefits	\$486,202	\$192,499	\$305,792	\$984,493	
Supplies and Fuel	178,303	25,490	80,494	284,287	
Maintenance	100,798	32,820	30,372	163,990	
Contracted Services	109,144	164,972		274,116	
Professional Services	67,974	24,469		92,443	
Water Purchased	2,145			2,145	
Management Fee - County	25,000			25,000	
Utilities	138,194	15,990	2,077	156,261	
Sewer Charges - Town of Farmville	153,319			153,319	
Office Expense	61,972		12,662	74,634	
Insurance	21,663	7,500		29,163	
Telephone and Postage		5,206	2,459	7,665	
Miscellaneous	28,866	10,702	6,901	46,469	
Disposal Fees		124,706		124,706	
Capital Outlay (Under Threshold)	1,500		17,356	18,856	
Medical Claims					\$1,256,782
Depreciation	531,767	43,514	41,634	616,915	
Total Operating Expense	\$1,906,847	\$647,868	\$499,747	\$3,054,462	\$1,256,782
Operating Income (Loss)	\$471,071	\$131,667	(\$301,020)	\$301,718	\$234,782
NONOPERATING REVENUES (EXPENSES)					
Interest and Investment Revenue	\$12,370	\$46	\$90	\$12,506	\$3
Sale of Fixed Assets	710		5,810	6,520	
Alternative Water Supply Fees - County	606,758			606,758	
Alternative Water Supply Fees - Towns & Districts	354,700			354,700	
Interest on Long-Term Debt	(408,004)			(408,004)	
Total Nonoperating Revenue (Expenses)	\$566,534	\$46	\$5,900	\$572,480	\$3
Income (Loss) Before Contributions and Transfers	\$1,037,605	\$131,713	(\$295,120)	\$874,198	\$234,785
Transfers (To) From Other Funds	128,683			128,683	
Capital Contributions	4,652,188		229,514	4,881,702	
Change in Net Assets	\$5,818,476	\$131,713	(\$65,606)	\$5,884,583	\$234,785
Total Net Assets, Beginning	21,871,269	(699,975)	308,532	21,479,826	(219,629)
Total Net Assets, Ending	\$27,689,745	(\$568,262)	\$242,926	\$27,364,409	\$15,156

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, 2011

	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	\$2,162,857	\$580,093	\$198,727	\$2,941,677	\$1,503,020
Cash Paid for Goods and Services	(873,470)	(395,079)	(224,580)	(1,493,129)	(1,367,351)
Cash Paid to Employees for Services	(465,941)	(194,511)	(302,287)	(962,739)	
Customer Deposits Received	21,079			21,079	
Customer Deposits Returned	(3,949)			(3,949)	
Other Operating Revenues	40,927			40,927	
Net Cash Provided (Used) by Operating Activities	\$881,503	(\$9,497)	(\$328,140)	\$543,866	\$135,669
CASH FLOWS PROVIDED BY NONCAPITAL FINANCING ACTIVITIES					
Increase in (Repayment of) Due to Other Funds		(\$3,174)		(\$3,174)	(\$68,738)
Alternative Water Supply Fees	\$942,919			942,919	
Transfers (To) From Other Funds	128,683			128,683	
Net Cash Provided by Noncapital Financing Activities	\$1,071,602	(\$3,174)	\$0	\$1,068,428	(\$68,738)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Sale of Fixed Assets	\$710		\$5,810	\$6,520	
Acquisition and Construction of Capital Assets	(9,097,757)			(9,097,757)	
Temporary Financing Issued	515,084			515,084	
Interest Paid On Indebtedness	(392,256)			(392,256)	
Principal Paid On Indebtedness	(860,067)			(860,067)	
Capital Contributions-State and Federal Grants	6,005,893		387,374	6,393,267	
Net Cash Provided by (Used by) Capital and Related Financing Activities	(\$3,828,393)	\$0	\$393,184	(\$3,435,209)	\$0
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on Investments	\$12,370	\$46	\$90	\$12,506	\$3
Net Increase (Decrease) in Cash and Cash Equivalents	(\$1,862,918)	(\$12,625)	\$65,134	(\$1,810,409)	\$66,934
Cash and Cash Equivalents, July 1	8,369,754	48,846	53,675	8,472,275	
Cash and Cash Equivalents, June 30	\$6,506,836	\$36,221	\$118,809	\$6,661,866	\$66,934
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:					
Cash consists of the following:					
Unrestricted Cash and Cash Equivalents	\$302,703	\$36,221	\$118,809	\$457,733	\$66,934
Restricted Cash and Cash Equivalents - Alternative Water Supply	4,953,069			4,953,069	
Restricted Cash and Cash Equivalents - GUC Waterline Phase 1A	1,083,532			1,083,532	
Restricted Cash and Cash Equivalents - GUC Waterline Phase 1C	167,532			167,532	
Cash and Cash Equivalents, June 30	\$6,506,836	\$36,221	\$118,809	\$6,661,866	\$66,934

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, 2011

	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)	\$471,071	\$131,667	(\$301,020)	\$301,718	\$234,782
<i>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:</i>					
Depreciation	\$531,767	\$43,514	\$41,634	\$616,915	
<i>Changes in Assets and Liabilities:</i>					
Decrease (Increase) in Accounts Receivable	(174,134)	(5,635)		(179,769)	\$11,456
Decrease (Increase) in Due From Other Governments		(193,807)		(193,807)	
Increase (Decrease) in Accounts Payable and Accrued Liabilities	15,408	11,186	(72,259)	(45,665)	(110,569)
Increase (Decrease) in Customer Deposits	17,130			17,130	
Increase (Decrease) in Compensated Absences Payable	2,998	(2,012)	972	1,958	
Increase (Decrease) in Other Postemployment Benefits	17,263	5,590	2,533	25,386	
Total Adjustments	\$410,432	(\$141,164)	(\$27,120)	\$242,148	(\$99,113)
Net Cash Provided by (Used by) Operating Activities	\$881,503	(\$9,497)	(\$328,140)	\$543,866	\$135,669

GREENE COUNTY, NORTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
 For the Year Ended June 30, 2011

	Agency Funds
<u>Assets</u>	
Cash and Cash Equivalents	\$216,295
Due From Other Governments	55,506
	\$271,801
<u>Liabilities and Net Assets</u>	
<i>Liabilities:</i>	
Intergovernmental Payable	\$271,801
Total Liabilities	\$271,801
<i>Net Assets:</i>	
Assets Held in Trust for Pension Benefits	

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

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

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, 2011

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 non-major funds.

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

The County reports the following major governmental funds:

General Fund – This 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 five 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; the Jail Inmate Fund which accounts for funds held on behalf of the inmates of the Greene County Jail; 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; and the South Greene Water Collection Fund which accounts for water funds collected and remitted under a contract basis on behalf of South Greene Water Corporation.

Nonmajor Funds – The County maintains nine legally budgeted funds. The Fire District Fund, the Property Revaluation Fund, the Emergency Telephone System Fund, the April 2011 Tornado Fund, the Yamco Expansion Fund, and the 2009 Community Development Block Grant Fund are reported as non-major special revenue funds. The School Capital Finance Fund, the American Prawn Cooperative Project Fund and the Intermediate School Project Fund are reported as capital project funds.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

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.

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

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

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

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

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on 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 2010 through February 2011 apply to the fiscal year ended June 30, 2011. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

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

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

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

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, the Yamco Expansion Fund, the School Capital Finance Fund, and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the 2009 CDBG Special Revenue Fund, the Jail Construction Project Fund, the American Prawn Cooperative Project Fund, the Intermediate School 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 \$1,691,337 due to budget amendments. In the Special Revenue Funds, revenues and expenditures were increased \$409,249 due to budget amendments. In the Enterprise Funds, revenues and expenditures were increased \$425,711. 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.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

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.

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

There is \$4,953,069 in the Utility Alternative Water Supply Capital Reserve Fund. These funds are shown as restricted due to the use of these funds being restricted solely for addressing future Alternative Water Supply needs. In addition, there is \$1,251,064 in unexpended Water Construction Project funds that is restricted to the purpose for which it was 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.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

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.

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.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

Inventories – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources. The County has no inventory in any of the Governmental Funds.

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

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

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

Restricted for Health Department – portion of fund balance that is restricted by revenue source to provide resources for the Health Department.

Restricted for Sheriff Department – portion of fund balance that is restricted by federal statute to Law Enforcement expenditures.

Restricted for Capital Outlay – portion of fund balance that is restricted by revenue source for future capital projects.

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

Committed for Tax Revaluation – Portion of fund balance that can only be used for Tax Revaluation.

Assigned Fund Balance – portion of fund balance that the County governing board has budgeted.

Assigned for Special Revenue Funds – portion of fund balance that has been budgeted by the board for special revenue funds.

Assigned for Capital Project Funds – portion of fund balance that has been budgeted by the board for capital project funds.

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

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

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

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 \$4,805,451 consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
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)	\$22,233,543
Less Accumulated Depreciation	<u>5,151,059</u>
Net Capital Assets	\$17,082,484
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	97,447
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	
Taxes	506,422
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	(11,267,020)
Compensated absences	(404,874)
Net pension obligation for law enforcement officers' special separation allowance	(136,328)
Net other postemployment benefits	(690,157)
Accrued interest payable	(397,679)
Net gain of internal service fund determined to be governmental-type	15,156
Total Adjustment	<u>\$4,805,451</u>

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GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

B. 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 \$3,929,584 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$5,039,450
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	(437,354)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statements of activities - it affects only the government-wide statement of net assets	(10,472,044)
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	10,944,933
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)	(378,151)
Net book value of assets sold	(49,809)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(3,818)
Net pension obligation is accrued in the government-wide statements but not the fund statements because it does not use current resources	(20,246)
Net other postemployment benefits obligation is accrued in the government-wide statements but not the fund statements because it does not use current resources	(243,508)
Net gain of internal service fund determined to be governmental- type	234,785
Special Items - Loss on Disposal of Assets	(790,739)
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 7/01/10	(409,772)
Recording of tax receipts deferred in the fund statements as of 6/30/11	506,422
Increase in accrued interest on taxes receivable for year ended 6/30/11	9,435
Total Adjustment	\$3,929,584

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

Noncompliance with North Carolina General Statutes

None noted.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

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	\$27,689,745
Landfill Fund	(568,262) *
Transportation Fund	242,926
	\$27,364,409

* 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, 2011, the County's expenditures have exceeded amounts budgeted in the following funds and departments:

	Final Budget	Actual	Over Budget
<u>General Fund</u>			
<u>Economic & Physical Development</u>			
Economic Development	\$112,223	\$115,891	(\$3,668)
<u>Human Services</u>			
Medical Assistance	\$135,000	\$140,308	(\$5,308)
Neuse River - In Home Care	\$57,473	\$62,080	(\$4,607)
Title XX Legal Expense	\$48,244	\$58,056	(\$9,812)
<u>Culture and Recreation</u>			
Sweet Potato Festival	\$42,695	\$65,307	(\$22,612)
<u>April 2011 Tornado Fund</u>			
Supplies	\$0	\$7,649	(\$7,649)
Administration	\$0	\$598	(\$598)
Facilities	\$0	\$13,198	(\$13,198)
Equipment Rental	\$0	\$21,949	(\$21,949)
<u>American Prawn Cooperative Project Fund</u>			
Engineer Drawings	\$5,000	\$19,625	(\$14,625)
Supplies	\$2,966	\$7,487	(\$4,521)
Supplies - Golden Leaf	\$3,000	\$6,312	(\$3,312)
Live Holding System	\$16,000	\$18,849	(\$2,849)
Capital Outlay	\$117,704	\$281,703	(\$163,999)
<u>Utility Fund</u>			
Alternative Water Supply Fund (Operating Transfer Out)	\$470,000	\$606,758	(\$136,758)
Debt Service	\$917,371	\$1,252,323	(\$334,952)
<u>Cutter Creek Sewer Construction Project Fund</u>			
Inspection	\$88,407	\$112,689	(\$24,282)
<u>Alternative Water Phase 1A Project Fund</u>			
Legal	\$25,000	\$30,695	(\$5,695)
<u>Alternative Water Phase 1F Project Fund</u>			
ARRA DBE Administration	\$10,000	\$33,625	(\$23,625)
Construction Observation	\$167,347	\$167,947	(\$600)

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.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

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 interest-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, 2011, the County's deposits had a carrying amount of \$4,841,840 and a bank balance of \$5,150,616. Of the bank balance, \$2,652,074 was covered by federal depository insurance and \$2,498,542 was covered by collateral held under the Pooling Method.

At June 30, 2011, Greene County had \$1,923 cash on hand.

At June 30, 2011, the carrying amount of deposits for Greene County ABC Board was \$149,057 and the bank balance was \$144,391. Of this balance, \$144,391 was covered by federal depository insurance and no balance was maintained in financial institutions utilizing the Pooling Method of collateralization.

At June 30, 2011, the ABC Board had \$600 cash on hand.

2. Investments

At June 30, 2011, the County's investment balances were as follows:

	<u>Reported Value</u>	<u>Fair Value</u>
NC Capital Management Trust - General Account	\$5,363,892	\$5,363,892
NC Capital Management Trust - Alternative Water Project Phase 1A	1,083,532	1,083,532
Total Investments	<u>\$6,447,424</u>	<u>\$6,447,424</u>

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, 2011, 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, 2011

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>
2007	437,063	143,138	580,201
2008	449,109	106,663	555,772
2009	460,261	67,888	528,149
2010	462,176	26,575	488,751
Total	\$1,808,609	\$344,264	\$2,152,873

4. Receivables

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

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due From Other Governments</u>	<u>Total</u>
Governmental Activities:				
General	\$363,357	\$720,748	\$820,523	\$1,904,628
Other Governmental	125,442	47,272	270,884	443,598
Total Receivables	\$488,799	\$768,020	\$1,091,407	\$2,348,226
Allowance for Doubtful Accounts	(155,000)	(152,730)		(307,730)
Total Governmental Activities	\$333,799	\$615,290	\$1,091,407	\$2,040,496
Business-type Activities:				
Utility Fund	\$599,348		\$953,806	\$1,553,154
Landfill Fund	74,975		208,958	283,933
Nonmajor Enterprise Activities	288		15,619	15,907
Total Receivables	\$674,611	\$0	\$1,178,383	\$1,852,994
Allowance for Doubtful Accounts	(105,000)			(105,000)
Total Business-type Activities	\$569,611	\$0	\$1,178,383	\$1,747,994

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

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

Local Option Sales Tax	\$369,535
Sales Tax	85,337
Various Human Service Revenues	269,057
Law Enforcement Contract - Snow Hill	31,302
One Economy Grant	25,240
American Prawn Cooperative	310,704
CDBG Grant	232
Total General Fund	\$1,091,407
Scrap Tire Tax	\$6,436
White Goods	1,551
Solid Waste	199,236
Transportation Grants	15,619
Alternative Water Supply Fees	117,560
USDA-RD Grant	553,910
Sales Tax	216,571
Liquidated Damages from Farmville GUC 1A	67,500
Total Enterprise Fund	\$1,178,383
Total Due	\$2,269,790

5. Notes Receivable

The County has five 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 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%.

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GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

The fourth 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%.

The fifth loan was made on May 20, 2009 to Vandiford's Country Kitchen for \$100,000. Vandiford's operated a dining facility that relocated 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. On April 12, 2011, order to sale secured collateral was recorded in Lenoir County. No sale has occurred as of report date.

The following summarizes the expected collection on these notes:

Principal Amounts Due For the Year Ended June 30,	Ham Produce, Inc.	Maury Properties, LLC	NWL Capacitors	Moore's Fiberglass	Vandiford's	Total
2012	\$43,162	\$16,058	\$16,099	\$15,310	\$55,914	\$146,543
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
	\$43,162	\$16,058	\$159,618	\$76,057	\$95,250	\$390,145

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GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

6. Capital Assets

Primary Government

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$623,626	\$27,297		\$650,923
Construction in Progress	7,215,948	4,832,872	\$10,049,574	1,999,246
Total Capital Assets Not Being Depreciated	\$7,839,574	\$4,860,169	\$10,049,574	\$2,650,169
Capital Assets Being Depreciated:				
Buildings & Land Improvements	\$7,201,686	\$10,082,248	\$416,021	\$16,867,913
Vehicles	1,234,927	85,783	153,015	1,167,695
Equipment	2,317,174	60,825	830,232	1,547,767
Total Capital Assets Being Depreciated	\$10,753,787	\$10,228,856	\$1,399,268	\$19,583,375
<i>Less Accumulated Depreciation for:</i>				
Buildings & Land Improvements	\$2,626,050	\$256,312	\$27,609	\$2,854,753
Vehicles	1,030,279	79,464	153,014	956,729
Equipment	1,616,095	101,578	378,096	1,339,577
Total Accumulated Depreciation	\$5,272,424	\$437,354	\$558,719	\$5,151,059
<i>Total Capital Assets Being Depreciated, Net</i>	5,481,363			14,432,316
Governmental Activity Capital Assets, Net	\$13,320,937			\$17,082,485

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

General Government	\$218,914
Public Safety	127,693
Human Services	18,506
Cultural and Recreational	72,241
Total Depreciation Expense	\$437,354

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GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

<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	16,593,347	\$6,054,330	\$8,944,521	13,703,156
<i>Total Capital Assets Not Being Depreciated</i>	\$16,763,115	\$6,054,330	\$8,944,521	\$13,872,924
Capital Assets Being Depreciated:				
Transfer Distribution Systems	\$22,148,372	\$9,044,776	\$596,307	\$30,596,841
Equipment	214,967	13,111		228,078
Vehicles	245,876		14,717	231,159
<i>Total Capital Assets Being Depreciated</i>	\$22,609,215	\$9,057,887	\$611,024	\$31,056,078
Less Accumulated Depreciation for:				
Transfer Distribution Systems	\$5,115,545	\$505,712		\$5,621,257
Equipment	166,272	12,997		179,269
Vehicles	213,937	13,058	\$14,717	212,278
Total Accumulated Depreciation	\$5,495,754	\$531,767	\$14,717	\$6,012,804
<i>Total Capital Assets Being Depreciated, Net</i>	17,113,461			25,043,274
Greene County Utility Fund Capital Assets, Net	\$33,876,576			\$38,916,198
Greene County Landfill Fund:				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$158,434			\$158,434
<i>Total Capital Assets Not Being Depreciated</i>	\$158,434	\$0	\$0	\$158,434
Capital Assets Being Depreciated:				
Buildings	\$108,102			\$108,102
Vehicles	279,245			279,245
Equipment	492,490			492,490
<i>Total Capital Assets Being Depreciated</i>	\$879,837	\$0	\$0	\$879,837
Less Accumulated Depreciation for:				
Buildings	\$105,278	\$1,022		\$106,300
Vehicles	189,843	20,066		209,909
Equipment	414,096	22,426		436,522
Total Accumulated Depreciation	\$709,217	\$43,514	\$0	\$752,731
<i>Total Capital Assets Being Depreciated, Net</i>	170,620			127,106
Greene County Landfill Capital Assets, Net	\$329,054			\$285,540
Greene County Transportation Fund:				
Capital Assets Being Depreciated:				
Buildings	\$169,900			\$169,900
Vehicles	361,083		\$26,178	334,905
Equipment	11,466			11,466
<i>Total Capital Assets Being Depreciated</i>	\$542,449	\$0	\$26,178	\$516,271
Less Accumulated Depreciation for:				
Buildings	\$25,728	\$8,495		\$34,223
Vehicles	260,024	34,195	\$26,178	268,041
Equipment	12,521	(1,056)		11,465
Total Accumulated Depreciation	\$298,273	\$41,634	\$26,178	\$313,729
<i>Total Capital Assets Being Depreciated, Net</i>	244,176			202,542
Greene County Transportation Fund Capital Assets, Net	\$244,176			\$202,542
Business-type Activities Capital Assets, Net	\$34,449,806			\$39,404,280

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

Construction Commitments

The government has active construction projects as of June 30, 2011. The projects include the Intermediate School project and the Alternative Water Phase 1C, and 1F projects. At June 30, 2011, the Government's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Intermediate School	\$1,750,807	\$11,850,000
Alternative Water Phase 1C	11,261,512	1,235,000
Alternative Water Phase 1F	2,441,645	635,000
Total	\$15,453,964	\$13,720,000

Discretely Presented Component Unit

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

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets Not Being Depreciated:				
Land	\$12,055			\$12,055
Total Assets Not Being Depreciated	\$12,055	\$0	\$0	\$12,055
Capital Assets Being Depreciated:				
Buildings	\$49,942			\$49,942
Equipment	48,917			48,917
Total Capital Assets Being Depreciated	\$98,859	\$0	\$0	\$98,859
Less Accumulated Depreciation for:				
Buildings	\$49,942			\$49,942
Equipment	32,331	\$3,071		35,402
Total Accumulated Depreciation	\$82,273	\$3,071	\$0	\$85,344
<i>Total Capital Assets Being Depreciated, Net</i>	16,586			13,515
Total Capital Assets Being Depreciated, Net	\$28,641			\$25,570

B. LIABILITIES

1. Payables

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

	Vendors	Accrued Interest	Other	Total
Governmental Activities:				
General	\$386,256	\$397,679		\$783,935
Other Governmental	1,069,811			1,069,811
Total Governmental Activities	\$1,456,067	\$397,679	\$0	\$1,853,746
Business-type Activities:				
Utility Fund	\$647,998	\$59,732		\$707,730
Landfill Fund	41,044			41,044
Nonmajor Enterprise Activities	6,982			6,982
Total Business-type Activities	\$696,024	\$59,732	\$0	\$755,756

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

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 6.51% and 6.41%, 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, 2011, 2010, and 2009 were \$390,020, \$286,853, and \$274,965, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2011, 2010, and 2009 were \$1,248, \$934, and \$920, 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, 2010, 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, 2011

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, 2010 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.5% to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. 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, 2010 was 20 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	\$20,657
Interest on Net Pension Obligation	5,804
Adjustment to Annual Required Contribution	(6,215)
Annual Pension Cost	\$20,246
Contributions Made	
Increase (Decrease) in Net Pension Obligation	\$20,246
<i>Net Pension Obligation - Beginning of Year</i>	116,082
Net Pension Obligation - End of Year	\$136,328

3 YEAR TREND INFORMATION

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contribution	Net Pension Obligation
6/30/09	\$12,652	0.00%	\$101,852
6/30/10	\$14,230	0.00%	\$116,082
6/30/11	\$20,246	0.00%	\$136,328

4. *Funded Status and Funding Progress*

As of December 31, 2010, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$138,018 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$138,018. The covered payroll (annual payroll of active employees covered by the plan) was \$775,001, 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, 2011

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, 2011 were \$95,313, which consisted of \$49,231 from the County and \$46,082 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, 2011, the County's required and actual contributions were \$932.

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, 2011

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

Retirees and Dependents Receiving Benefits	6
Terminated Plan Members Entitled but not yet Receiving Benefits	0
Active Plan Members	166
Total	172

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 5.08% of the annual covered payroll. For the current year, the County contributed \$59,936 or 1.00% of annual covered payroll. The County obtains healthcare coverage through private insurers. The County's required contributions, under a County resolution, for employees not engaged in law enforcement and for law enforcement officers represented 0.42% and 0.25% 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	\$326,175
Interest on OPEB Obligation	19,346
Adjustment to Annual Required Contribution	(16,691)
Annual OPEB Cost (expense)	\$328,830
Contributions Made	(59,936)
Increase (Decrease) in Net OPEB Obligation	\$268,894
<i>Net OPEB Obligation - Beginning of Year</i>	483,648
Net OPEB Obligation - End of Year	\$752,542

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 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
6/30/11	328,830	18.23%	752,542

Funded Status and Funding Progress. As of December 31, 2010, 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 \$2,222,489. The covered payroll (annual payroll of active employees covered by the plan) was \$6,037,746, and the ratio of the UAAL to the covered payroll was 36.81%.

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, 2010 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 3.00% 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, 2010, was 30 years.

f. **Other Employment Benefits**

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local 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 postemployment 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, 2011

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 \$996,343 reported as landfill closure and postclosure care liability at June 30, 2011 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	\$506,422	
Taxes Receivable (Net) - Fire Districts	47,873	
Prepaid Regular Property Taxes Not Yet Earned		\$20,459
Prepaid Vehicle Property Taxes Not Yet Earned		35,832
Agricultural Center Grant		26,970
Total Governmental Activities	\$554,295	\$83,261

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 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, 2011

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, 2011, 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. **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>
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	13,900	6,100	20,000
2017-2021	80,923	19,077	100,000
2022	24,409	1,249	25,658
	\$168,387	\$57,271	\$225,658

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

b. 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, 2011 balance was \$23,970.

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, 2011 balance was \$13,661.

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, 2011 balance was paid in full.

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, 2011 balance was \$152,592.

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, 2011 balance was paid in full.

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, 2011 balance was \$74,923.

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, 2011 balance was \$62,077.

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, 2011 balance was paid in full.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

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>
2012	\$94,281	\$10,088	\$104,369
2013	58,710	7,505	66,215
2014	60,845	5,321	66,166
2015	29,827	3,490	33,317
2016	18,814	2,680	21,494
2017 - 2020	64,746	3,956	68,702
	\$327,223	\$33,040	\$360,263

c. Installment Purchase Contracts

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, 2011 was \$269,754.

<u>During the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$28,530	\$10,902	\$39,432
2013	29,726	9,706	39,432
2014	30,972	8,460	39,432
2015	32,272	7,160	39,432
2016	33,624	5,808	39,432
2017-2020	114,630	8,830	123,460
	\$269,754	\$50,866	\$320,620

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>
2012	\$29,610	\$626	\$30,236
	\$29,610	\$626	\$30,236

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

Jail Construction:

On December 9, 2010, the County refinanced \$10,500,000 interim financing for the Jail Construction with three loans from the USDA. The terms of each agreement calls for one annual payment of interest only on December 9, 2011. Beginning December 9, 2012 the County will make one annual payment of principal and interest of \$373,554, \$119,083, and \$24,070 respectively. These agreements carry an interest rate of 3.75%. The balances at June 30, 2011 were \$6,819,314, \$2,419,875, and \$489,125 respectively. During the refinancing process, \$771,686 has gone from Greene County to the USDA. These funds will be available for drawdown on a future capital project related to courthouse renovations.

Loan 1 :

<u>During the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012		\$281,962	\$281,962
2013	\$91,592	281,962	373,554
2014	95,026	278,528	373,554
2015	98,590	274,964	373,554
2016	102,287	261,267	363,554
2017-2021	571,930	1,295,840	1,867,770
2022-2026	687,516	1,180,254	1,867,770
2027-2031	826,463	1,041,307	1,867,770
2032-2036	993,490	874,280	1,867,770
2037-2041	1,194,276	673,494	1,867,770
2042-2046	1,435,637	432,133	1,867,770
2047-2051	722,507	141,990	864,497
	\$6,819,314	\$7,017,981	\$13,837,295

Loan 2:

<u>During the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012		\$90,745	\$90,745
2013	\$28,338	90,745	119,083
2014	29,400	89,683	119,083
2015	30,503	88,580	119,083
2016	31,647	87,436	119,083
2017-2021	176,950	418,465	595,415
2022-2026	212,712	382,703	595,415
2027-2031	255,701	339,714	595,415
2032-2036	307,378	288,037	595,415
2037-2041	369,499	225,916	595,415
2042-2046	444,176	151,239	595,415
2047-2051	533,571	61,473	595,044
	\$2,419,875	\$2,314,736	\$4,734,611

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

Loan 3:

<u>During the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012		\$18,342	\$18,342
2013	\$5,728	18,342	24,070
2014	5,943	18,127	24,070
2015	6,165	17,905	24,070
2016	6,397	17,673	24,070
2017-2021	35,766	84,584	120,350
2022-2026	42,994	77,356	120,350
2027-2031	51,685	68,665	120,350
2032-2036	62,129	58,221	120,350
2037-2041	74,686	45,664	120,350
2042-2046	89,781	30,569	120,350
2047-2051	107,851	12,424	120,275
	\$489,125	\$467,872	\$956,997

School Construction:

As authorized by State law [G.S. 160A-20 and 153A-158.1], the County is financing the construction of an intermediate school for use by the Greene County Board of Education. During the fiscal year ended June 30, 2011 the County entered into two installment purchase contracts which will eventually total \$13,600,000. The installment purchases were issued pursuant to a deed of trust that requires that legal title remain with 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 capital assets associated with the installment purchase obligation will be recorded by the Board of Education after construction is complete. Construction in progress will be carried on the Government-wide Statement of Net Assets until construction is complete.

The terms of the agreement for loan 1 in the amount of \$6,600,000, calls for one interest only payment on February 17, 2012. Beginning February 17, 2013, the County will make forty annual payments of principal and interest of \$337,062, ending February 17, 2051. As of June 30, 2011 the County had drawn only \$100 of principal funds.

<u>During the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012		\$264,000	\$264,000
2013	\$100		100
	\$100	\$264,000	\$264,100

The terms of the agreement for loan 2 in the amount of \$7,000,000, calls for one interest only payment on February 17, 2012. Beginning February 17, 2013, the County will make forty annual payments of principal and interest of \$57,490, ending February 17, 2051. As of June 30, 2011 the County had drawn \$746,630 of principal funds.

<u>During the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012		\$280,000	\$280,000
2013	\$77,490	280,000	357,490
2014	80,590	276,900	357,490
2015	83,853	273,637	357,490
2016	94,799	262,691	357,490
2017-2020	406,898	986,046	1,392,944
	\$743,630	\$2,359,274	\$3,102,904

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

(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>
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	202,282	29,718	232,000
2017-2019	653,178	42,822	696,000
	\$1,594,524	\$261,476	\$1,856,000

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>
2012	\$360,000	\$21,099	\$381,099
2013	295,650	7,671	303,321
	\$655,650	\$28,770	\$684,420

d. **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, 2011, the balance was \$2,066,788.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

<u>During the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	172,232	75,722	247,954
2017-2021	861,160	252,406	1,113,566
2022-2023	344,468	42,068	386,536
	\$2,066,788	\$757,220	\$2,824,008

e. Bond Anticipation Notes

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>
2012	\$6,537,000	\$194,521	\$6,731,521
	\$6,537,000	\$194,521	\$6,731,521

f. General Obligation Indebtedness

On September 23, 2008, the County secured interim financing through the issuance of Bond Anticipation Note Proceeds for the construction of Water System Improvements. On August 30, 2010, the bonds were issued and the interim financing was satisfied. The bonds are recorded in the utility fund and are collateralized by the full faith, credit, and taxing power of the County. Principal and interest payments are appropriated when due.

The County's general obligation bonds payable at June 30, 2011 are comprised of the following individual issues:

Serviced by the County's Utility Fund:

\$4,202,000 Water bonds issued August 30, 2010;
due in annual installments through June 1, 2050;
interest at 4.00% \$4,202,000

\$2,000,000 Water bonds issued August 30, 2010;
due in annual installments through June 1, 2050;
interest at 4.00% 2,000,000

Total **\$6,202,000**

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

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

During the Year Ending June 30,	Principal	Interest	Total
2012		\$233,080	\$233,080
2013	\$76,000	233,080	309,080
2014	79,000	230,242	309,242
2015	82,000	227,293	309,293
2016	85,000	224,230	309,230
2017-2021	474,000	1,071,155	1,545,155
2022-2026	570,000	975,482	1,545,482
2027-2031	688,000	860,220	1,548,220
2032-2036	825,000	721,218	1,546,218
2037-2041	992,000	554,110	1,546,110
2042-2046	1,193,000	352,895	1,545,895
2047-2050	1,138,000	109,182	1,247,182
	\$6,202,000	\$5,792,187	\$11,994,187

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 will be used to complete a construction project for Water System Improvements. Of the total \$3,000,000 loan, \$2,430,909 has been received by the County as of June 30, 2011. The agreement allows for half of the 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. At June 30, 2011, the total payable was \$1,215,455. One principal payment of \$75,000 was paid during the year, leaving a balance of \$1,140,455 at June 30, 2011.

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, 2011:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Governmental Activities:					
Notes Payable	\$179,218		\$10,831	\$168,387	\$11,385
Global Transpark Development Zone Loans	548,165		220,942	327,223	94,281
Installment Purchase Contracts	11,012,524	\$10,472,044	10,713,160	10,771,408	58,140
Net Pension Obligation	116,082	20,246		136,328	
OPEB Obligation	446,649	303,444	59,936	690,157	
Compensated Absences	401,060	313,670	309,852	404,878	
Total Governmental Activities	\$12,703,698	\$11,109,404	\$11,314,721	\$12,498,381	\$163,806
Business-type Activities:					
Installment Purchase Contract	\$2,863,008		\$612,834	\$2,250,174	\$534,759
Clean Water Bond Loan	2,239,020		172,232	2,066,788	172,232
Bond Anticipation Notes	12,739,000		6,202,000	6,537,000	6,537,000
General Obligation Indebtedness		\$6,202,000		6,202,000	
DWSRF Revolving Loan	700,372	515,083	75,000	1,140,455	75,000
Accrued Landfill Closure and Postclosure Costs	996,343			996,343	
OPEB Obligation	36,999	25,386		62,385	
Compensated Absences	66,758	45,097	43,140	68,715	
Total Business-type Activities	\$19,641,500	\$6,787,566	\$7,105,206	\$19,323,860	\$7,318,991

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

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.

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, 2010 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, 2011 were as follows:

Fiscal Year Ending June 30,	
2012	\$20,940
2013	19,195
Total Minimum Future Payments Required	\$40,135

C. INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances at June 30, 2011 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Utility Fund	\$255,880
Landfill Fund	General Fund	(12,607)
		\$243,273

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GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

Operating and equity transfers to and from funds for the year ended June 30, 2011 are as follows:

Operating Transfers From/To Other Funds	TRANSFERS	
	FROM	TO
General Fund		
Capital Projects Fund - School Capital Finance Fund		\$130,666
Capital Projects Fund - Cutter Creek		128,683
Capital Projects Fund		
School Capital Finance Fund:		
General Fund	\$130,666	
Enterprise Fund		
Cutter Creek	128,683	
Total Operating Transfers - Other Funds	\$259,349	\$259,349

D. FUND BALANCE

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

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

Total Fund Balance - General Fund	\$5,106,378
Less:	
Stabilization by State Statute	2,103,949
Register of Deeds	50,528
Health Department	350,383
Sheriff Department	35,063
Capital Outlay	132,125
Working Capital/Fund Balance Policy	2,434,330
Remaining Fund Balance	\$0

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, 2011, and the Authority is not considered in determining the County's legal debt limit.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

V. JOINT VENTURES

The County participates in a joint venture with Lenoir and Jones 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, 2011. During the year ended June 30, 2011, 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, Edgecombe, and Nash Counties, participates in a joint venture to operate The Beacon 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, 2011. The County appropriated \$63,018 to the Center during the fiscal year ended June 30, 2011 which included \$0 received from the ABC Board designated for alcohol education. All Mental Health appropriations were suspended for the 2010-2011 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 500 Nash Medical Arts Mall, Rocky Mount, North Carolina 27804.

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 \$245,000 to the Community College during the fiscal year ended June 30, 2011. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the financial statements at June 30, 2011. 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

East Carolina Council Of Governments

The County, in conjunction with eight other counties and fifty municipalities, established the East Carolina 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 \$7,018 during the fiscal year ended June 30, 2011.

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.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

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, 2011, the portion of the trust available to be loaned exclusively to Greene County was \$536,541, calculated as follows:

Total Allocations for Loans	\$863,765
Loans Drawn Down	(1,485,000)
Principal Payments	1,157,776
Funds Available	<u>\$536,541</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.

	<u>Federal</u>	<u>State</u>
Medicaid	\$19,598,126	\$7,820,326
Food Stamp Program	6,500,819	
Women, Infants and Children	381,131	
Temporary Assistance For Needy Families	232,568	
Other Programs	340,029	297,957
Total	<u>\$27,052,673</u>	<u>\$8,118,283</u>

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 42.75% of total billings.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

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, \$905,083 of escrow funds had been released.

Since inception of Cutter Creek, there have been five phases of construction related to water and sewer infrastructure. As of report date, all phases are complete and the County anticipates taking over ownership of these assets in the coming year. The total estimated value of the infrastructure assets is approximately \$8,000,000.

XI. SPECIAL ITEMS – DISPOSAL OF FIXED ASSETS

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. The purchase price of this equipment was \$799,439 with accumulated depreciation in the amount of \$369,993 at the time of disposal. As a result of this transaction, a loss was generated in the amount of \$429,446.

The American Prawn Cooperative building and related assets were deeded back to APC on April 16, 2011. The purchase price for these assets was \$333,098 with accumulated depreciation in the amount of \$8,104 at the time of disposal. As a result of this transaction, a loss was generated in the amount of \$324,994.

Greene County experienced a Tornado outbreak on April 16, 2011 destroying various equipment and structures at the County Recreation Complex. These items have been scrapped by the County. The purchase price for these assets was \$46,678 with accumulated depreciation in the amount of \$10,379 at the time of disposal. As a result of this transaction, a loss was generated in the amount of \$36,299.

These items are reflected on the government-wide statements as a special item because it is unusual in nature but under the control of management. The combined loss for all disposals amounts to \$790,739.

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, 2011

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 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%
12/31/2010	\$0	\$138,018	\$138,018	0.00%	\$775,001	17.81%

GREENE COUNTY, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
SCHEDULE OF EMPLOYER CONTRIBUTIONS
 June 30, 2011

<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%
2011	\$20,657	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	12/31/10
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent of Pay Closed
Remaining Amortization Period	20 Years
Asset Valuation Method	Market Value
<i>Actuarial Assumptions:</i>	
Investment Rate of Return*	5.00%
Projected Salary Increases*	4.5% to 7.85%
*Includes Inflation At	3.00%
Cost-of-Living Adjustments	N/A

GREENE COUNTY, NORTH CAROLINA
OTHER POSTEMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
 June 30, 2011

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	31.55%
12/31/2009	\$0	\$2,167,955	\$2,167,955	0.00%	\$5,907,343	36.70%
12/31/2010	\$0	\$2,222,489	\$2,222,489	0.00%	\$6,037,746	36.81%

GREENE COUNTY, NORTH CAROLINA
OTHER POSTEMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
 June 30, 2011

<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%
2011	328,830	18.23%

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	12/31/10
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	3.00%

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, 2011**

	Budget	2011 Actual	Variance Favorable (Unfavorable)
REVENUES:			
Ad Valorem Taxes:			
Taxes	\$7,851,044	\$7,665,133	(\$185,911)
Penalties and Interest	130,000	191,009	61,009
Total Ad Valorem Taxes	\$7,981,044	\$7,856,142	(\$124,902)
Local Option Sales Taxes:			
Article 39 and 44	\$725,000	\$520,443	(\$204,557)
Article 40	957,997	859,990	(98,007)
Article 42	581,868	523,082	(58,786)
Total Local Option Sales Taxes	\$2,264,865	\$1,903,515	(\$361,350)
Other Taxes and Licenses:			
Real Estate Transfer Tax	\$80,000	\$62,129	(\$17,871)
Privilege Licenses	1,000	595	(405)
Total Other Taxes and Licenses	\$81,000	\$62,724	(\$18,276)
Unrestricted Intergovernmental Revenue:			
Beer & Wine Tax	\$82,000	\$83,648	\$1,648
Restricted Intergovernmental Revenue:			
State and Federal Grants	\$6,238,374	\$4,794,044	(\$1,444,330)
GTP Loans & Loan Repayments	238,065	28,684	(209,381)
Controlled Substance Tax	14,600	2,447	(12,153)
Court Facility Fees	42,000	32,793	(9,207)
ABC - 5 cent Bottle Tax	1,800	2,701	901
Inmate Fees & Reimbursements	331,837	51,082	(280,755)
Board of Education SRO Reimbursements	51,000	62,604	11,604
Total Restricted Intergovernmental Revenue	\$6,917,676	\$4,974,355	(\$1,943,321)
Permits and Fees:			
Building Inspection Fees	\$80,000	\$91,781	\$11,781
Concealed Weapon Fees & Gun Permits	12,000	4,590	(7,410)
Register of Deeds	77,000	62,273	(14,727)
Cable TV Fees	10,000	10,465	465
Building/Other Permits and Fees	73,100	31,452	(41,648)
Total Permits & Fees	\$252,100	\$200,561	(\$51,539)

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, 2011

	Budget	2011 Actual	Variance Favorable (Unfavorable)
Sales and Services:			
Jail and Officer Fees	\$214,200	\$215,264	\$1,064
Ambulance and EMS Fees	1,125,527	874,776	(250,751)
Recreation Fees	65,300	43,297	(22,003)
Senior Center Meals	3,180	2,310	(870)
Municipal Tax Collection Fee	3,700	3,231	(469)
Copier and Vending Machines	5,000	4,141	(859)
Rents	15,000	3,742	(11,258)
Total Sales & Services	\$1,431,907	\$1,146,761	(\$285,146)
Total Investment Earnings	\$60,300	\$2,609	(\$57,691)
Other Revenues:			
Gasoline Tax Refund	\$15,000		(\$15,000)
United Way Receipts - Senior Center	9,200	\$8,681	(519)
Sweet Potato Festival	42,695	60,124	17,429
Miscellaneous	28,836	8,450	(20,386)
Total Other Revenues	\$95,731	\$77,255	(\$18,476)
TOTAL REVENUES	\$19,166,623	\$16,307,570	(\$2,859,053)
EXPENDITURES:			
General Government:			
Governing Body:			
Salaries & Employee Benefits	\$25,660	\$25,660	
Operating Expenses	61,430	60,754	\$676
Insurance Other Than Property	217,341	215,634	1,707
	\$304,431	\$302,048	\$2,383
Adminstration:			
Salaries and Employee Benefits	\$84,361	\$85,282	(\$921)
Operating Expenses	239,508	224,280	15,228
Capital Outlay		11,500	(11,500)
	\$323,869	\$321,062	\$2,807
Elections:			
Salaries & Employee Benefits	\$101,033	\$79,499	\$21,534
Operating Expenses	94,177	28,938	65,239
	\$195,210	\$108,437	\$86,773
Finance:			
Salaries & Employee Benefits	\$289,680	\$281,990	\$7,690
Operating Expenses	67,926	69,822	(1,896)
	\$357,606	\$351,812	\$5,794

**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, 2011**

	<u>Budget</u>	<u>2011 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Taxes:			
Salaries & Employee Benefits	\$338,738	\$338,335	\$403
Operating Expenses	147,385	119,813	27,572
Revaluation	50,000	32,368	17,632
	\$536,123	\$490,516	\$45,607
Register of Deeds:			
Salaries & Employee Benefits	\$138,266	\$137,943	\$323
Operating Expenses	75,090	66,168	8,922
	\$213,356	\$204,111	\$9,245
Public Buildings:			
Salaries & Employee Benefits	\$131,257	\$133,680	(\$2,423)
Operating Expenses	340,198	330,351	9,847
	\$471,455	\$464,031	\$7,424
Court Facilities:			
Operating Expenses	\$21,000	\$20,849	\$151
TOTAL GENERAL GOVERNMENT	\$2,423,050	\$2,262,866	\$160,184
Public Safety:			
Sheriff Department:			
Salaries & Employee Benefits	\$1,463,845	\$1,463,369	\$476
Operating Expenses	425,520	387,099	38,421
Capital Outlay	45,620	50,952	(5,332)
	\$1,934,985	\$1,901,420	\$33,565
County Jail:			
Salaries & Employee Benefits	\$507,795	\$506,499	
Operating Expenses	390,744	338,355	\$52,389
	\$898,539	\$844,854	\$52,389
Inspections:			
Salaries & Employee Benefits	\$156,737	\$155,819	\$918
Operating Expenses	22,450	23,367	(917)
	\$179,187	179,186	\$1
Emergency Management:			
Salaries & Employee Benefits	\$71,812	\$65,314	\$6,498
Operating Expenses	76,460	48,874	27,586
Aid to Fire Districts	58,000	58,000	
Greene County Firemen's Association	5,000	5,000	
Capital Outlay/Homeland Security Grant	36,471	36,471	
	\$247,743	\$213,659	\$34,084

**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, 2011**

	<u>Budget</u>	<u>2011 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Emergency Medical Services:			
Salaries & Employee Benefits	\$675,493	\$661,447	\$14,046
Operating Expenses	469,035	337,100	131,935
Aid to Rescue Districts	48,800	48,800	
Capital Outlay	8,127	8,127	
	<u>\$1,201,455</u>	<u>\$1,055,474</u>	<u>\$145,981</u>
Medical Examiner:			
Operating Expenses	<u>\$9,500</u>	<u>\$8,700</u>	<u>\$800</u>
TOTAL PUBLIC SAFETY	<u>\$4,471,409</u>	<u>\$4,203,293</u>	<u>\$266,820</u>
Environmental Protection:			
Forest Fire Prevention:			
County Matching to State	\$62,090	\$55,521	\$6,569
TOTAL ENVIRONMENTAL PROTECTION	<u>\$62,090</u>	<u>\$55,521</u>	<u>\$6,569</u>
Economic & Physical Development:			
Agricultural Extension:			
Salaries & Employee Benefits	\$133,406	\$98,669	\$34,737
Operating Expenses	5,653	5,788	(135)
Capital Outlay/E.W. Project	454,000	3,670	450,330
	<u>\$593,059</u>	<u>\$108,127</u>	<u>\$484,932</u>
Soil Conservation Services:			
Salaries & Employee Benefits	\$140,745	\$140,694	\$51
Operating Expenses	17,131	13,739	3,392
	<u>\$157,876</u>	<u>\$154,433</u>	<u>\$3,443</u>
Economic Development:			
Salaries & Employee Benefits	\$80,976	\$81,585	(\$609)
Operating Expenses	31,247	34,306	(3,059)
	<u>\$112,223</u>	<u>\$115,891</u>	<u>(\$3,668)</u>
TOTAL ECONOMIC & PHYSICAL DEVELOPMENT	<u>\$863,158</u>	<u>\$378,451</u>	<u>\$484,707</u>
Human Services:			
Public Health:			
Administration:			
Salaries & Employee Benefits	\$1,446,718	\$1,386,368	\$60,350
Operating Expenses	684,823	477,135	207,688
Clinic and Consulting Fees	70,501	70,108	393
	<u>\$2,202,042</u>	<u>\$1,933,611</u>	<u>\$268,431</u>

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, 2011

	Budget	2011 Actual	Variance Favorable (Unfavorable)
Mental Health:			
The Beacon Center	\$61,218		\$61,218
ABC Funds - Addictions Program	1,800	\$1,800	
	\$63,018	\$1,800	\$61,218
4H:			
Salaries & Employee Benefits	\$16,934	\$11,389	\$5,545
Operating Expenses	3,366	1,303	2,063
	\$20,300	\$12,692	\$7,608
SOS Grant:			
Operating Expenses	\$18,800	\$13,115	\$5,685
	\$18,800	\$13,115	\$5,685
Social Services:			
Administration:			
Salaries & Employee Benefits	\$1,917,550	\$1,853,913	\$63,637
Operating Expenses	224,300	182,901	41,399
	\$2,141,850	\$2,036,814	\$105,036
Adoption Assistance	\$49,626	\$49,626	
TANF Program:			
Domestic Violence	\$12,587	\$9,282	\$3,305
Emergency Assistance	18,000	12,993	5,007
Foster Care	300,000	179,663	120,337
Emergency Employment	326,190	50,209	275,981
	\$656,777	\$252,147	\$404,630
Blind Assistance	\$3,914	\$661	\$3,253
Energy:			
Carolina Power and Light Crisis Fund	\$3,516	\$3,346	\$170
Day Care:			
County Participation	\$901,692	\$744,299	\$157,393
Smart Start	89,389	89,373	16
	\$991,081	\$833,672	\$157,409
Adoption Incentive	\$6,000	\$2,400	\$3,600
Crisis LIEAP	\$168,132	\$167,774	\$358
Program Expenses	\$31,000	\$19,124	\$11,876
Child Support Enforcement	\$13,550	\$11,135	\$2,415

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, 2011

	Budget	2011 Actual	Variance Favorable (Unfavorable)
Food and Nutrition Administration Funds	\$44,398	\$19,126	\$25,272
Food Stamps	\$10,500	\$7,464	\$3,036
General Assistance	\$12,328	\$7,585	\$4,743
Independent Living	\$3,075	\$3,075	
Work First Job Program	\$87,000	\$72,950	\$14,050
Medical Assistance	\$135,000	\$140,308	(\$5,308)
Neuse River-In Home Care	\$57,473	\$62,080	(\$4,607)
Special Assistance-Adults	\$266,633	\$261,955	\$4,678
Title XX Legal Expense	\$48,244	\$58,056	(\$9,812)
Foster Care	\$54,271	\$53,226	\$1,045
Total Social Services	\$4,784,368	\$4,062,524	\$721,844
Veterans Service Officer:			
Salaries & Employee Benefits	\$21,417	\$22,381	(\$964)
Operating Expenses	5,003	4,037	966
	\$26,420	\$26,418	\$2
Youth Services:			
Operating Expenses	\$83,501	\$81,591	\$1,910
	\$83,501	\$81,591	\$1,910
Senior Services:			
Salaries & Employee Benefits	\$109,210	\$106,669	\$2,541
Operating Expenses	141,506	128,185	13,321
	\$250,716	\$234,854	\$15,862
TOTAL HUMAN SERVICES	\$7,449,165	\$6,366,605	\$1,082,560
Culture and Recreation:			
Regional Library:			
County Matching Share	\$131,000	\$131,000	\$0

**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, 2011**

	Budget	2011 Actual	Variance Favorable (Unfavorable)
Recreation:			
Salaries & Employee Benefits	\$134,719	\$126,071	\$8,648
Operating Expenses	113,931	90,504	23,427
Capital Outlay	13,735	13,735	
	\$262,385	\$230,310	\$32,075
Sweet Potato Festival	\$42,695	\$65,307	(\$22,612)
TOTAL CULTURE AND RECREATION	\$436,080	\$426,617	\$9,463
Education:			
Public Schools:			
Current Expense - Local	\$2,247,000	\$2,247,000	
Capital Outlay - Local	451,202	392,416	\$58,786
	\$2,698,202	\$2,639,416	\$58,786
Community College:			
Local Appropriation	\$240,000	\$240,000	
Operating Expenses	5,000	5,000	
	\$245,000	\$245,000	\$0
TOTAL EDUCATION	\$2,943,202	\$2,884,416	\$58,786
Debt Service:			
Principal Retirement	\$338,209	\$325,396	\$12,813
Interest	32,648	32,189	459
	\$370,857	\$357,585	\$13,272
TOTAL DEBT SERVICE	\$370,857	\$357,585	\$13,272
TOTAL EXPENDITURES	\$19,019,011	\$16,935,354	\$2,082,361
Excess Revenues Over (Under) Expenditures	\$147,612	(\$627,784)	(\$775,396)

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, 2011

	Budget	2011 Actual	Variance Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES)			
Transfers To Other Funds	(\$266,149)	(\$259,349)	\$6,800
Sale of Fixed Assets	15,000	7,000	(8,000)
Fund Balance Appropriated	20,420		(20,420)
Capital Lease Obligations Issued	20,000		(20,000)
Installment Purchase Obligations Issued	63,117		(63,117)
Total Other Financing Sources (Uses)	(\$147,612)	(\$252,349)	(\$104,737)
Revenue and Other Financing Sources Over (Under) Expenditures and Other Uses	\$0	(\$880,133)	(\$880,133)
FUND BALANCES			
Beginning of Year, July 1		5,986,511	
FUND BALANCE, Ending		\$5,106,378	

GREENE COUNTY, NORTH CAROLINA
JAIL CONSTRUCTION / COURT HOUSE RENOVATION CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2011

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Favorable (Unfavorable)
REVENUES:					
Investment Earnings		\$29,468	\$4,035	\$33,503	\$33,503
Total Revenues	\$0	\$29,468	\$4,035	\$33,503	\$33,503
EXPENDITURES:					
<i>Jail Construction:</i>					
Administration & Legal	\$19,003	\$47,367	\$9,285	\$56,652	(\$37,649)
Architectural & Engineering	1,471,104	1,129,477	28,931	1,158,408	312,696
Construction	7,853,968	5,600,145	2,303,368	7,903,513	(49,545)
Equipment	200,000	6,180	70,313	76,493	123,507
Inspection		65,377	17,454	82,831	(82,831)
Owner's Rep Contract	130,000	83,241	48,492	131,733	(1,733)
Miscellaneous	445,725	284,160	355,783	639,943	(194,218)
Contingency	360,000				360,000
Capital Outlay	20,200	20,144		20,144	56
Unexpended Funds	(932,978)				(932,978)
Total Jail Construction	\$9,567,022	\$7,236,091	\$2,833,626	\$10,069,717	(\$502,695)
<i>Court House Renovation:</i>					
Administration & Legal	\$10,000				\$10,000
Architectural - Development & Design	88,400		\$11,988	\$11,988	76,412
Construction	474,076				474,076
Equipment	22,000				22,000
Contingency	58,334				58,334
Owner's Rep Contract	47,440		6,503	6,503	40,937
Inspection	33,000		7,325	7,325	25,675
Abatement Design Cost	8,100				8,100
Demolition & Abatement	70,000				70,000
Interest During Construction	22,718				22,718
Alternates	98,910				98,910
Total Court House Renovation	\$932,978	\$0	\$25,816	\$25,816	\$907,162
Total Expenditures	\$10,500,000	\$7,236,091	\$2,859,442	\$10,095,533	\$404,467
Revenues Over (Under) Expenditures	(\$10,500,000)	(\$7,206,623)	(\$2,855,407)	(\$10,062,030)	\$437,970
OTHER FINANCING SOURCES (USES)					
Temporary Financing Issued for USDA					
Installment Purchase Obligations Issued	\$10,500,000	\$10,500,000		\$10,500,000	
Installment Purchase Obligation Repaid			(\$771,686)	(771,686)	(\$771,686)
Total Other Financing Sources	\$10,500,000	\$10,500,000	(\$771,686)	\$9,728,314	(\$771,686)
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Sources	\$0	\$3,293,377	(\$3,627,093)	(\$333,716)	(\$333,716)
FUND BALANCE, Beginning			3,293,377		
FUND BALANCE, Ending			(\$333,716)		

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.
- *April 2011 Tornado Fund* – This fund accounts for the revenues and expenses associated with the tornado that hit the County on April 16, 2011.
- *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.
- *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.
- *Intermediate School Project Fund* – The County uses this fund to account for the construction of the new Greene County Intermediate School.

GREENE COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2011

	Special Revenue Funds				
	Fire District Funds	Property Revaluation Fund	Emergency Telephone System Fund	April 2011 Tornado Fund	2009 CDBG Project Fund
<u>ASSETS</u>					
Cash and Investments	\$6,314	\$221,918	\$668,634		\$22,768
Accounts Receivable			22,135	\$67,456	
Due From Other Governments		48	3,965	246,142	232
Due From Other Funds	6,538				
Taxes Receivable, Net	47,272				
TOTAL ASSETS	\$60,124	\$221,966	\$694,734	\$313,598	\$23,000
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts Payable	\$12,251		\$37,528	\$5,681	
Deferred Revenue	47,873				
Due to Other Funds				29,698	\$23,000
Total Liabilities	\$60,124	\$0	\$37,528	\$35,379	\$23,000
Fund Balances:					
Restricted:					
Stabilization by State Statute			\$26,100	\$313,598	
Assigned:					
		\$221,966	631,106	(35,379)	
Total Fund Balances	\$0	\$221,966	\$657,206	\$278,219	\$0
TOTAL LIABILITIES AND FUND BALANCES	\$60,124	\$221,966	\$694,734	\$313,598	\$23,000

Total Non-major Special Revenue Funds	Capital Project Funds			Total Non-major Capital Projects Funds	Total Non-major Governmental Funds
	School Capital Finance Fund	American Prawn Cooperative Project Fund	Intermediate School Project Fund		
\$919,634	\$881	\$30,537		\$31,418	\$951,052
89,591					89,591
250,387		319	\$16,851	17,170	267,557
6,538					6,538
47,272					47,272
\$1,313,422	\$881	\$30,856	\$16,851	\$48,588	\$1,362,010
\$55,460			\$1,014,351	\$1,014,351	\$1,069,811
47,873					47,873
52,698		\$29,727	9,577	39,304	92,002
\$156,031	\$0	\$29,727	\$1,023,928	\$1,053,655	\$1,209,686
\$339,698			\$16,851	\$16,851	\$356,549
817,693	\$881	\$1,129	(1,023,928)	(1,021,918)	(204,225)
\$1,157,391	\$881	\$1,129	(\$1,007,077)	(\$1,005,067)	\$152,324
\$1,313,422	\$881	\$30,856	\$16,851	\$48,588	\$1,362,010

GREENE COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For The Fiscal Year Ended June 30, 2011

	Special Revenue Funds					Total Nonmajor Special Revenue Funds
	Fire District Funds	Property Revaluation Fund	Emergency Telephone System Fund	April 2011 Tornado Fund	2009 CDBG Project Fund	
REVENUES:						
Ad Valorem Taxes	\$506,035					\$506,035
Restricted Intergovernmental			\$266,169	\$254,157	\$131,391	651,717
Investment Earnings		\$343	1,078			1,421
Miscellaneous				67,456		67,456
Total Revenues	\$506,035	\$343	\$267,247	\$321,613	\$131,391	\$1,226,629
EXPENDITURES:						
General Government		\$830				\$830
Public Safety	\$506,035		\$162,996			669,031
Economic Development				\$43,394	\$131,391	174,785
Education						
Capital Outlay			253,623			253,623
Total Expenditures	\$506,035	\$830	\$416,619	\$43,394	\$131,391	\$1,098,269
Revenues Over (Under) Expenditures	\$0	(\$487)	(\$149,372)	\$278,219	\$0	\$128,360
OTHER FINANCING SOURCES (USES):						
Operating Transfer In (Out)						
Installment Purchase Obligations Issued						
Principal Retirement						
Interest on Long-Term Debt						
Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0
Revenues and Other Financing Sources Over (Under) Expenditures	\$0	(\$487)	(\$149,372)	\$278,219	\$0	\$128,360
FUND BALANCES:						
<i>Beginning of Year, July 1</i>		\$222,453	\$806,578			\$1,029,031
End of Year, June 30	\$0	\$221,966	\$657,206	\$278,219	\$0	\$1,157,391

Capital Project Funds			Total	Total
School Capital Finance Fund	American Prawn Cooperative Project Fund	Intermediate School Project Fund	Nonmajor Capital Projects Funds	Nonmajor Governmental Funds
				\$506,035
\$142,803			\$142,803	794,520
				1,421
				67,456
\$142,803	\$0	\$0	\$142,803	\$1,369,432
				\$830
				669,031
	\$22,059		\$22,059	196,844
\$142,803		\$1,750,807	1,750,807	1,750,807
			142,803	396,426
\$142,803	\$22,059	\$1,750,807	\$1,915,669	\$3,013,938
\$0	(\$22,059)	(\$1,750,807)	(\$1,772,866)	(\$1,644,506)
\$130,666			\$130,666	\$130,666
		\$743,730	743,730	743,730
(119,534)			(119,534)	(119,534)
(11,131)			(11,131)	(11,131)
\$1	\$0	\$743,730	\$743,731	\$743,731
\$1	(\$22,059)	(\$1,007,077)	(\$1,029,135)	(\$900,775)
\$880	\$23,188		\$24,068	\$1,053,099
\$881	\$1,129	(\$1,007,077)	(\$1,005,067)	\$152,324

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, 2011

	<u>Annual Budget</u>	<u>2011 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Ad Valorem Taxes - Current Year	\$550,298	\$500,464	(\$49,834)
Ad Valorem Taxes - Prior Years		5,571	5,571
Total Revenues	\$550,298	\$506,035	(\$44,263)
EXPENDITURES:			
<i>Public Safety:</i>			
Bull Head Fire District	\$42,300	\$39,708	\$2,592
Rainbow Fire District	50,000	47,844	2,156
Maury Fire District	64,000	59,789	4,211
Shine Fire District	58,200	49,212	8,988
Arba Fire District	43,000	40,811	2,189
Little Creek Fire District	29,205	27,712	1,493
Contentnea Fire District	70,500	63,639	6,861
Fort Run Fire District	46,925	41,558	5,367
Jason Fire District	42,241	39,810	2,431
Castoria Fire District	53,247	49,111	4,136
Speight's Bridge Fire District	50,680	46,841	3,839
Total Expenditures	\$550,298	\$506,035	\$44,263
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, 2011

	Annual Budget	2011 Actual	Variance Favorable (Unfavorable)
REVENUES:			
Investment Earnings	\$5,000	\$343	(\$4,657)
Total Revenues	\$5,000	\$343	(\$4,657)
EXPENDITURES:			
<i>Current:</i>			
<i>General Government:</i>			
Supplies	\$45,000	\$830	\$44,170
Total Expenditures	\$45,000	\$830	\$0
Revenues Over (Under) Expenditures	(\$40,000)	(\$487)	\$39,513
OTHER FINANCING SOURCES			
Operating Transfers In	\$40,000		(\$40,000)
Total Other Financing Sources	\$40,000	\$0	(\$40,000)
Revenues Over (Under) Expenditures and Other Financing Sources	\$0	(\$487)	(\$487)
FUND BALANCE, Beginning		222,453	
FUND BALANCE, Ending		\$221,966	

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, 2011

	<u>Annual Budget</u>	<u>2011 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Restricted Intergovernmental:			
PSAP Collections	\$250,000	\$266,169	\$16,169
Investment Earnings		1,078	1,078
Total Revenues	<u>\$250,000</u>	<u>\$267,247</u>	<u>\$17,247</u>
EXPENDITURES:			
<i>Public Safety:</i>			
Operating Expenses	\$215,000	\$162,996	\$52,004
Capital Outlay - EMS Building/Dorm Construction	223,186	211,123	12,063
Capital Outlay - Equipment	163,063	42,500	120,563
Total Expenditures	<u>\$601,249</u>	<u>\$416,619</u>	<u>\$184,630</u>
Revenues Over (Under) Expenditures	<u>(\$351,249)</u>	<u>(\$149,372)</u>	<u>\$201,877</u>
OTHER FINANCING SOURCES (USES):			
Fund Balance Appropriated	351,249		(351,249)
Total Other Financing Sources (Uses)	<u>\$351,249</u>	<u>\$0</u>	<u>(\$351,249)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$0</u>	<u>(\$149,372)</u>	<u>(\$149,372)</u>
<i>Fund Balance, Beginning</i>		806,578	
Fund Balance, Ending		<u>\$657,206</u>	

GREENE COUNTY, NORTH CAROLINA

APRIL 2011 TORNADO FUND

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

For The Fiscal Year Ended June 30, 2011

	Annual Budget	2011 Actual	Variance Favorable (Unfavorable)
REVENUES:			
Restricted Intergovernmental:			
FEMA Recovery Funds		\$254,157	\$254,157
Other:			
Insurance Proceeds		67,456	67,456
Total Revenues	\$0	\$321,613	\$321,613
EXPENDITURES:			
<i>Economic Development:</i>			
Supplies		\$7,649	(\$7,649)
Administration Provisions		598	(598)
Facilities		13,198	(13,198)
Equipment Rental		21,949	(21,949)
Total Expenditures	\$0	\$43,394	(\$43,394)
Revenues Over (Under) Expenditures	\$0	\$278,219	\$278,219
<i>FUND BALANCE, Beginning</i>			
FUND BALANCE, Ending		\$278,219	

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, 2011

	Project Authorization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
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	\$326,364	\$326,364		\$326,364	
Machinery & Equipment	183,432	126,364		126,364	\$57,068
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>					
<i>FUND BALANCE, Ending</i>					
			\$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, 2011

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
REVENUES:					
Restricted Intergovernmental:					
2009 - 09-C-1994 Community Development Block Grant	\$339,000	\$53,096	\$131,391	\$184,487	(\$154,513)
2008 Single Family Rehabilitation Community Development Block Grant	200,000	95,115		95,115	(104,885)
Total Revenues	\$539,000	\$148,211	\$131,391	\$279,602	(\$259,398)
EXPENDITURES:					
<i>Economic Development:</i>					
2009 Community Development Block Grant					
Clearance	\$15,000	\$3,630	\$11,500	\$15,130	(\$130)
Relocation	134,000	20,416	66,383	86,799	47,201
Rehabilitation	150,000	25,050	53,275	78,325	71,675
Administration	40,000	4,000	233	4,233	35,767
Total 2009 Community Development Block Grant	\$339,000	\$53,096	\$131,391	\$184,487	\$154,513
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	\$95,115	\$0	\$95,115	\$104,885
Total Expenditures	\$539,000	\$148,211	\$131,391	\$279,602	\$259,398
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, 2011

	Annual Budget	2011 Actual	Variance Favorable (Unfavorable)
REVENUES:			
<i>Reserved for Debt Service:</i>			
Public School Building			
Capital Fund - Lottery	\$142,803	\$142,803	
Total Revenues	\$142,803	\$142,803	\$0
EXPENDITURES:			
School Capital Projects - Lottery	\$142,803	\$142,803	
Total Expenditures	\$142,803	\$142,803	\$0
Revenues Over Expenditures	\$0	\$0	\$0
OTHER FINANCING SOURCES (USES)			
Transfer from General Fund	\$130,666	\$130,666	
Interest on Long-Term Debt	(12,160)	(11,131)	\$1,029
Principal Payments	(118,506)	(119,534)	(1,028)
Total Other Financing Sources	\$0	\$1	\$1
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Sources	\$0	\$1	\$1
FUND BALANCE, Beginning		880	
FUND BALANCE, Ending		\$881	

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, 2011

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Favorable (Unfavorable)
REVENUES:					
<i>Restricted Intergovernmental:</i>					
Rural Center Grant	\$300,000	\$300,000		\$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	\$362,777	\$0	\$362,777	(\$10,975)
EXPENDITURES:					
Engineer Drawings	\$5,000	\$19,625		\$19,625	(\$14,625)
Supplies	2,966	977	\$6,510	7,487	(4,521)
Supplies-Golden Leaf	3,000	1,435	4,877	6,312	(3,312)
Travel	4,000	3,035	842	3,877	123
Equipment	175,882	16,750		16,750	159,132
Capital Outlay	117,704	281,703		281,703	(163,999)
Live Holding System	16,000	14,043	4,806	18,849	(2,849)
Live Hauling	15,000	2,021	5,024	7,045	7,955
General Use Equipment	4,000				4,000
Live Shipping	8,000				8,000
Site Improvements	5,800				5,800
Landfill Tipping Fees	1,350				1,350
Permits	650				650
Contingency	14,400				14,400
Total Expenditures	\$373,752	\$339,589	\$22,059	\$361,648	\$12,104
Revenues Over Expenditures	\$0	\$23,188	(\$22,059)	\$1,129	\$1,129
<i>FUND BALANCE, Beginning</i>			23,188		
FUND BALANCE, Ending			\$1,129		

GREENE COUNTY, NORTH CAROLINA
INTERMEDIATE SCHOOL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
From Inception and For the Fiscal Year Ended June 30, 2011

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Favorable (Unfavorable)
REVENUES:					
<i>Restricted Intergovernmental:</i>					
USDA Grant	\$400,000				(\$400,000)
Total Revenues	\$400,000	\$0	\$0	\$0	(\$400,000)
EXPENDITURES:					
<i>Education:</i>					
Admin/Legal	\$30,000		\$28,010	\$28,010	\$1,990
Architectural Reimbursement	117,000				117,000
Architectural/Engineering	792,500		26,080	26,080	766,420
Construction	11,119,342		1,620,771	1,620,771	9,498,571
Capital Outlay	250,000				250,000
Interim Interest	328,958				328,958
Contingency	345,000				345,000
Construction Management	187,200		58,500	58,500	128,700
Data Service Technology	250,000				250,000
LEED Submission Cost	5,000				5,000
Utility Connections	35,000				35,000
Special Inspections	140,000		17,446	17,446	122,554
Grant Contingency	400,000				400,000
Total Expenditures	\$14,000,000	\$0	\$1,750,807	\$1,750,807	\$12,249,193
Revenues Over Expenditures	(\$13,600,000)	\$0	(\$1,750,807)	(\$1,750,807)	\$11,849,193
OTHER FINANCING SOURCES (USES)					
<i>Temporary Financing Issued for USDA</i>					
Installment Purchase Obligations Issued	\$13,600,000		\$743,730	\$743,730	(\$12,856,270)
Total Other Financing Sources	\$13,600,000	\$0	\$743,730	\$743,730	(\$12,856,270)
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Sources	\$0	\$0	(\$1,007,077)	(\$1,007,077)	(\$1,007,077)
FUND BALANCE, Beginning					
FUND BALANCE, Ending					
			(\$1,007,077)		

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, 2011

	<u>Budget</u>	<u>2011 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Charges for Services:			
Water and Sewer Sales	\$2,155,344	\$2,262,285	\$106,941
Tap-on Fees and Service Charges	45,000	74,706	29,706
Miscellaneous	8,000	40,927	32,927
Total Operating Revenues	\$2,208,344	\$2,377,918	\$169,574
Nonoperating Revenues:			
Investment Earnings	\$5,000	\$2,511	(\$2,489)
Alternative Water Supply Fees	470,000	606,758	136,758
Sale of Fixed Assets		710	710
Total Nonoperating Revenues	\$475,000	\$609,979	\$134,979
Total Revenues	\$2,683,344	\$2,987,897	\$304,553
EXPENDITURES:			
Operating:			
Salaries and Employee Benefits	\$452,986	\$465,941	(\$12,955)
Supplies	194,900	178,303	16,597
Water Purchases	193,122	2,145	190,977
Maintenance	186,969	100,798	86,171
Contracted Services	109,000	109,144	(144)
Utilities	147,800	138,194	9,606
Sewer Charges - Town of Farmville	180,000	153,319	26,681
Office Expense	62,200	61,972	228
Professional Services	58,900	62,962	(4,062)
Management Fee - County	25,000	25,000	
Capital Outlay (Under Threshold)	1,500	1,500	
Insurance	47,475	21,663	25,812
Miscellaneous	1,000	28,866	(27,866)
Total Operating Expenditures	\$1,660,852	\$1,349,807	\$311,045
DEBT SERVICE:			
Interest on Long-Term Debt	\$219,653	\$392,256	(\$172,603)
Principal Payments	697,718	860,067	(162,349)
Total Debt Service	\$917,371	\$1,252,323	(\$334,952)
CAPITAL OUTLAY:			
Equipment	\$76,500	\$13,111	\$63,389
Total Capital Outlay	\$76,500	\$13,111	\$63,389
Total Expenditures	\$2,654,723	\$2,615,241	\$39,482
Revenues Over Expenditures	\$28,621	\$372,656	\$344,035

GREENE COUNTY, NORTH CAROLINA
UTILITY FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>2011 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In:			
General Fund		\$128,683	\$128,683
Operating Transfers Out:			
Alternative Water Supply Fund	(\$470,000)	(606,758)	(136,758)
Capital Reserve	(53,507)		53,507
Fund Balance Appropriated	494,886		(494,886)
Total Other Financing Sources (Uses)	(\$28,621)	(\$478,075)	(\$449,454)
Revenues and Other Financing Sources Over (Under) Expenditures Financing Uses, and Appropriated Fund Balance	\$0	(\$105,419)	(\$105,419)
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL BASIS:			
RECONCILING ITEMS:			
Depreciation		(\$490,322)	
Principal Payments		860,067	
Capital Outlay		13,111	
Increase in Compensated Absences		(2,998)	
Increase in Other Postemployment Benefits		(17,263)	
Increase in Accrued Interest		(15,748)	
Asset Contributed to GUC		(596,307)	
Net Income Capital Reserve Fund Excluding Transfers		726	
Investment Earnings from Alternative Water Supply Capital Reserve Fund		5,967	
Alternative Water Supply Meter Fees from Alternative Water Supply Capital Reserve Fund		354,700	
Depreciation Water & Sewer District 1		(41,445)	
Administrative Expenses Water & Sewer District 1		(5,012)	
Transfer to Alternative Water Supply Fund		606,758	
Transfer to Farmville for 1C		(200,000)	
Contributed Capital Utility Alternative Water Supply Capital Reserve Fund		193,193	
Investment Earnings on Alternative Water Phase 1A Project Fund		2,107	
Contributed Capital Alternative Water Phase 1A Project Fund		7,744	
Contributed Capital Alternative Water Phase 1F Project Fund		515,185	
Contributed Capital Alternative Water Phase 1C Project Fund		4,732,373	
Investment Earnings on Alternative Water Phase 1C Project Fund		1,059	
Total Reconciling Items		\$5,923,895	
Net Income, Full Accrual Basis		\$5,818,476	

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, 2011

	Budget	2011 Actual	Variance Favorable (Unfavorable)
REVENUES:			
Investment Earnings		\$726	\$726
Total Revenues	\$0	\$726	\$726
OTHER FINANCING SOURCES (USES):			
Operating Transfers In (Out)	\$53,507		(\$53,507)
Reserve	(53,507)		53,507
Total Other Financing Sources	\$0	\$0	\$0
Revenues Over (Under) Other Financing Sources	\$0	\$726	\$726
FUND BALANCE, Beginning		503,431	
FUND BALANCE, Ending		\$504,157	

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, 2011

	Budget	2011 Actual	Variance Favorable (Unfavorable)
REVENUES:			
Investment Earnings		\$5,967	\$5,967
Per Meter AWS Fees		354,700	354,700
Total Revenues	\$0	\$360,667	\$360,667
EXPENDITURES:			
Alternative Water Supply Study			
Total Expenditures	\$0	\$0	\$0
Revenues Over (Under) Other Expenditures	\$0	\$360,667	\$360,667
OTHER FINANCING SOURCES (USES):			
Farmville/Greene County GUC Project Excess		\$193,193	\$193,193
Operating Transfers In (Out)	\$470,000	606,758	136,758
Reserve	(470,000)		470,000
Total Other Financing Sources	\$0	\$799,951	\$799,951
Revenues Over (Under) Other Financing Sources	\$0	\$1,160,618	\$1,160,618
FUND BALANCE, Beginning		3,910,011	
FUND BALANCE, Ending		\$5,070,629	

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, 2011

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Favorable (Unfavorable)
REVENUES:					
Investment Earnings		\$30,648		\$30,648	\$30,648
Total Revenues	\$0	\$30,648	\$0	\$30,648	\$30,648
EXPENDITURES:					
Construction	\$1,540,200	\$1,476,579		\$1,476,579	\$63,621
Engineering	114,437	96,388		96,388	18,049
Inspection	88,407	112,689		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	\$1,693,068	\$0	\$1,693,068	\$106,932
Revenues Over (Under) Expenditures	(\$1,800,000)	(\$1,662,420)	\$0	(\$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	\$0	\$1,694,650	(\$105,350)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$0	\$137,580	\$0	\$32,230	\$32,230
FUND BALANCE, Beginning			32,230		
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, 2011

	Project Authorization	Actual		Total To Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
REVENUES:					
Investment Earnings - (BAN Proceeds)	\$57,380	\$57,546	\$1,543	\$59,089	\$1,709
Investment Earnings from Phase 1A	20,122				(20,122)
Interest Earned on Non-Ban Proceeds		27,616	564	28,180	28,180
USDA - RD Grant Income	1,000,000	1,000,000		1,000,000	
EDA Grant Income	500,000	500,000		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		7,744	7,744	(185,448)
Sale of Timber - Site 247	4,875	4,875		4,875	
Miscellaneous Income	78,365				(78,365)
Total Revenues	\$3,253,934	\$2,990,037	\$9,851	\$2,999,888	(\$254,046)
EXPENDITURES:					
Construction	\$7,626,626	\$7,502,260	\$56,867	\$7,559,127	\$67,499
Engineering	456,003	446,432	9,571	456,003	
Inspection	278,850	265,859	10,268	276,127	2,723
Temporary Financing Interest Expense	420,000	361,009	37,376	398,385	21,615
Land/Easements	147,447	147,447		147,447	
Funding Assistance	46,575	46,575		46,575	
Administrative	46,333	46,332		46,332	1
Project Administrative	25,000	22,500	2,500	25,000	
Grant Assistance	25,000	22,500	2,500	25,000	
Reimbursables	21,160	21,160		21,160	
Legal	25,000	19,473	11,222	30,695	(5,695)
Geotechnical	5,625	5,625		5,625	
Environmental	5,000	5,000		5,000	
Appraisals	2,300	2,300		2,300	
Accounting	3,400				3,400
Total Expenditures	\$9,134,319	\$8,914,472	\$130,304	\$9,044,776	\$89,543
Revenues Over (Under) Expenditures	(\$5,880,385)	(\$5,924,435)	(\$120,453)	(\$6,044,888)	(\$164,503)
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 Farmville	(200,000)		(\$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	(\$200,000)	\$6,194,575	\$314,190
Revenues and Other Financing Over Expenditures and Other Financing Sources	\$0	\$470,140	(\$320,453)	\$149,687	\$149,687
FUND BALANCE, Beginning			470,140		
FUND BALANCE, Ending			\$149,687		

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, 2011

	Project Authorization	Prior Years	Actual		Variance Favorable (Unfavorable)
			Current Year	Total To Date	
REVENUES:					
USDA - RD Grant Income	\$1,600,000		\$932,373	\$932,373	(\$667,627)
USDA - RD Transfer from Phase 1A	200,000				(200,000)
USDA - RD Supplemental Grant	2,000,000		2,000,000	2,000,000	
Rural Center Grant Income	2,000,000		1,800,000	1,800,000	(200,000)
Sales Tax Refund - Restricted	314,084				(314,084)
Investment Earnings - (BAN Proceeds)	5,166	\$4,237	930	5,167	1
Investment Earnings	232	883	129	1,012	780
Liquidated Damages	25,000				(25,000)
Total Revenues	\$6,144,482	\$5,120	\$4,733,432	\$4,738,552	(\$1,405,930)
EXPENDITURES:					
Construction	\$10,268,724	\$5,064,428	\$4,549,031	\$9,613,459	\$655,265
Engineering	580,308	472,576		472,576	107,732
Contingency - USDA	255,762				255,762
Temporary Financing Interest Expense	437,410	120,094	172,922	293,016	144,394
Inspection	555,745	275,614	280,133	555,747	(2)
Land/Easements	201,717	185,229	3,993	189,222	12,495
Administrative	12,500	8,043		8,043	4,457
Grant Assistance	25,000	12,500	7,500	20,000	5,000
Funding Assistance	25,000	25,000		25,000	
Legal	30,000	10,595	1,788	12,383	17,617
Appraisals		20	(20)		
Project Administration	25,000	15,000	5,000	20,000	5,000
Water Board Coordination	35,000		27,954	27,954	7,046
Inspection Beyond Contract Period	24,850		4,112	4,112	20,738
Construction Admin Beyond Contract Period	20,000		20,000	20,000	
Contingency - Non-USDA	184,466				184,466
Total Expenditures	\$12,681,482	\$6,189,099	\$5,072,413	\$11,261,512	\$1,419,970
Revenues Over (Under) Expenditures	(\$6,537,000)	(\$6,183,979)	(\$338,981)	(\$6,522,960)	\$14,040
OTHER FINANCING SOURCES (USES):					
USDA - RD Loan Income - (BAN Proceeds)	\$3,800,000	\$3,800,000		\$3,800,000	
USDA - Supplemental Loan	2,737,000	2,737,000		2,737,000	
Interim Financing Loan	113,000				(\$113,000)
Repayment of Interim Financing Loan	(113,000)				113,000
Total Other Financing Sources (Uses)	\$6,537,000	\$6,537,000	\$0	\$6,537,000	\$0
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$0	\$353,021	(\$338,981)	\$14,040	\$14,040
FUND BALANCE, Beginning			\$353,021		
FUND BALANCE, Ending			\$14,040		

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, 2011

	Project Authorization	Prior Years	Actual		Variance Favorable (Unfavorable)
			Current Year	Total To Date	
REVENUES:					
ARRA - DWSRF Principal Forgiveness Grant	\$1,500,000	\$700,372	\$515,084	\$1,215,456	(\$284,544)
Sales Tax	90,000				(90,000)
Local Project Contribution	25,000				(25,000)
Miscellaneous			101	101	101
Total Revenues	\$1,615,000	\$700,372	\$515,185	\$1,215,557	(\$399,443)
EXPENDITURES:					
Construction	\$2,535,516	\$1,105,790	\$858,969	\$1,964,759	\$570,757
Engineering	179,290	\$142,932		142,932	36,358
Construction Observation	167,347	89,399	78,548	167,947	(600)
Legal	5,000		2,775	2,775	2,225
Audit	1,000				1,000
Administrative	5,000	4,607		4,607	393
Project Administration	85,000	70,000	10,000	80,000	5,000
Funding Assistance	25,000	25,000		25,000	
Grant Administration	25,000	10,000	10,000	20,000	5,000
ARRA DBE Administration	10,000	12,000	21,625	33,625	(23,625)
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	38,347				38,347
Total Expenditures	\$3,115,000	\$1,459,728	\$981,917	\$2,441,645	\$673,355
Revenues Over (Under) Expenditures	(\$1,500,000)	(\$759,356)	(\$466,732)	(\$1,226,088)	\$273,912
OTHER FINANCING SOURCES (USES):					
ARRA - DWSRF Debt Proceeds	\$1,500,000	\$700,372	\$515,084	\$1,215,456	(\$284,544)
Total Other Financing Sources (Uses)	\$1,500,000	\$700,372	\$515,084	\$1,215,456	(\$284,544)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$0	(\$58,984)	\$48,352	(\$10,632)	(\$10,632)
FUND BALANCE, Beginning			(58,984)		
FUND BALANCE, Ending			(\$10,632)		

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, 2011

	Budget	2011 Actual	Variance Favorable (Unfavorable)
REVENUES:			
<i>Total Revenues</i>	\$5,025	\$0	(\$5,025)
EXPENDITURES:			
Administrative	\$5,025	\$5,012	\$13
<i>Total Expenditures</i>	\$5,025	\$5,012	\$13
<i>Revenues Over (Under) Expenditures</i>	\$0	(\$5,012)	(\$5,012)
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>		(\$46,457)	

GREENE COUNTY, NORTH CAROLINA
LANDFILL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>2011 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
<i>Operating:</i>			
Landfill Fees	\$699,988	\$779,535	\$79,547
Total Operating Revenues	\$699,988	\$779,535	\$79,547
<i>Nonoperating:</i>			
Investment Earnings		\$46	\$46
Total Nonoperating Revenues	\$0	\$46	\$46
Total Revenues	\$699,988	\$779,581	\$79,593
EXPENDITURES:			
<i>Operating:</i>			
Salaries and Employee Benefits	\$168,232	\$188,920	(\$20,688)
Employee Training	1,500	690	810
Supplies	28,980	25,490	3,490
Maintenance	33,845	32,820	1,025
Contracted Services	271,692	164,972	106,720
Utilities	16,200	15,990	210
Professional Services	24,240	24,469	(229)
Insurance	8,000	7,500	500
Site Improvements	3,100	2,201	899
Telephone and Postage	5,100	5,206	(106)
Miscellaneous	9,099	7,812	1,287
Disposal Fees	130,000	124,706	5,294
Total Expenditures	\$699,988	\$600,776	\$99,212
Revenues Over (Under) Expenditures	\$0	\$178,805	\$178,805
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$0	\$178,805	\$178,805

GREENE COUNTY, NORTH CAROLINA
LANDFILL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2011

	Budget	2011 Actual	Variance Favorable (Unfavorable)
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL BASIS:			
Revenues Over (Under) Expenditures	\$0	\$178,805	\$178,805
RECONCILING ITEMS:			
Decrease in Compensated Absences		2,012	
Increase in Other Postemployment Benefits		(5,590)	
Depreciation		(43,514)	
Total Reconciling Items		(\$47,092)	
Net Income (Loss), Full Accrual Basis		\$131,713	

GREENE COUNTY, NORTH CAROLINA
TRANSPORTATION SYSTEM FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>2011 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
<i>Operating:</i>			
Transportation Fares	\$173,907	\$198,727	\$24,820
Total Operating Revenues	\$173,907	\$198,727	\$24,820
<i>Nonoperating:</i>			
Investment Earnings		\$90	\$90
ROAP - EMPL	\$5,000	3,169	(1,831)
DOT Transportation Coordination Grant	99,000	95,176	(3,824)
NCDOT Capital Grant	5,050		(5,050)
ARRA Equipment/Capital	8,000		(8,000)
New Freedom Section 5317	12,000		(12,000)
Job Access Section 5316	6,000		(6,000)
ROAP - RGP Supplement	30,000	15,214	(14,786)
ROAP - EDTAP Supplement	20,000	11,560	(8,440)
ROAP - EDTAP	39,000	20,055	(18,945)
ROAP - RGP	35,000	17,171	(17,829)
ROAP - FUNDS		67,169	67,169
Sale of Fixed Assets	5,810	5,810	
Total Nonoperating Revenues	\$264,860	\$235,414	(\$29,446)
Total Revenues	\$438,767	\$434,141	(\$4,626)
EXPENDITURES:			
<i>Operating:</i>			
Salaries and Employee Benefits	\$302,213	\$302,287	(\$74)
Supplies and Fuel	70,614	80,494	(9,880)
Maintenance	28,909	30,372	(1,463)
Contract Services			
Utilities	2,500	2,077	423
Office Expense	12,813	12,662	151
Telephone and Postage	2,550	2,459	91
Travel	6,203	6,191	12
Miscellaneous Operating Expense	4,365	204	4,161
Rent	600	506	94
Capital Outlay	25,356	17,356	8,000
Total	\$456,123	\$454,608	\$1,515
Revenues Over (Under) Expenditures	(\$17,356)	(\$20,467)	(\$3,111)
OTHER FINANCING SOURCES:			
Fund Balance Appropriated	\$17,356		(\$17,356)
Total Other Financing Sources	\$17,356	\$0	(\$17,356)
Revenues and Other Financing Sources (Uses) Over Expenditures	\$0	(\$20,467)	(\$20,467)
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL BASIS:			
RECONCILING ITEMS:			
Increase in Compensated Absences		(\$972)	
Increase in Other Post Employment Benefits		(2,533)	
Depreciation		(41,634)	
Total Reconciling Items		(\$45,139)	
Net Income, Full Accrual Basis		(\$65,606)	

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, 2011

	<u>Financial Plan</u>	<u>2011 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
<i>Operating:</i>			
County Contributions/Premiums	\$1,909,359	\$1,491,564	(\$417,795)
<i>Total Operating Revenues</i>	<u>\$1,909,359</u>	<u>\$1,491,564</u>	<u>(\$417,795)</u>
<i>Nonoperating:</i>			
Investment Earnings		\$3	\$3
<i>Total Nonoperating Revenues</i>	<u>\$0</u>	<u>\$3</u>	<u>\$3</u>
<i>Total Revenues</i>	<u>\$1,909,359</u>	<u>\$1,491,567</u>	<u>(\$417,792)</u>
EXPENDITURES:			
<i>Operating:</i>			
Medical Claims and Fees	\$1,909,359	\$1,256,782	\$652,577
<i>Total</i>	<u>\$1,909,359</u>	<u>\$1,256,782</u>	<u>\$652,577</u>
<i>Revenues Over (Under) Expenditures</i>	<u>\$0</u>	<u>\$234,785</u>	<u>\$234,785</u>

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.

Jail Inmate Fund - The Jail Inmate Fund is used to account for funds held on behalf of the inmates of the Greene County Jail.

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.

South Greene Water Collection Fund - The South Greene Water Collection Fund is used to account for water funds collected and remitted under a contract basis on behalf of South Greene Water Corporation.

GREENE COUNTY, NORTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For The Fiscal Year Ended June 30, 2011

	Beginning Balance	Additions	Deletions	Ending Balance
Municipal Tax Fund:				
Assets:				
Cash	\$1,808	\$112,573	\$110,749	\$3,632
Due from Other Governments	4,645	602		5,247
	<u>\$6,453</u>	<u>\$113,175</u>	<u>\$110,749</u>	<u>\$8,879</u>
Liabilities:				
3% DMV Interest		\$10,750	\$10,750	
Accounts Payable	\$6,453	103,694	101,268	\$8,879
	<u>\$6,453</u>	<u>\$114,444</u>	<u>\$112,018</u>	<u>\$8,879</u>
Social Services Fund:				
Assets, Cash	<u>\$114,343</u>	<u>\$182,465</u>	<u>\$179,940</u>	<u>\$116,868</u>
Liabilities, Accounts Payable	<u>\$114,343</u>	<u>\$182,465</u>	<u>\$179,940</u>	<u>\$116,868</u>
Jail Inmate Fund:				
Assets, Cash		<u>\$18,414</u>	<u>\$15,644</u>	<u>\$2,770</u>
Liabilities, Accounts Payable		<u>\$18,414</u>	<u>\$15,644</u>	<u>\$2,770</u>
Fines and Forfeitures Fund:				
Assets, Due From Other Governments	<u>\$8,687</u>	<u>\$153,981</u>	<u>\$157,406</u>	<u>\$5,262</u>
Liabilities, Accounts Payable	<u>\$8,687</u>	<u>\$153,981</u>	<u>\$157,406</u>	<u>\$5,262</u>
South Greene Water Collection Fund:				
Assets:				
Cash		\$138,317	\$45,292	\$93,025
Due from Other Governments		44,997		44,997
	<u>\$0</u>	<u>\$183,314</u>	<u>\$45,292</u>	<u>\$138,022</u>
Liabilities:				
Accounts Payable		\$138,317	\$295	\$138,022
	<u>\$0</u>	<u>\$138,317</u>	<u>\$295</u>	<u>\$138,022</u>
TOTALS - ALL AGENCY FUNDS:				
Assets, Cash and Due From Other Governments	<u>\$129,483</u>	<u>\$651,349</u>	<u>\$509,031</u>	<u>\$271,801</u>
Liabilities:				
Accounts Payable	\$129,483	\$607,621	\$465,303	\$271,801
Total Liabilities	<u>\$129,483</u>	<u>\$607,621</u>	<u>\$465,303</u>	<u>\$271,801</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, 2011

<u>Fiscal Year Ended June 30,</u>	<u>Uncollected Balance June 30, 2010</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2011</u>
2010-11		\$7,543,819	\$7,193,403	\$350,416
2009-10	\$275,530		178,724	96,806
2008-09	71,114		21,647	49,467
2007-08	40,014		12,077	27,937
2006-07	28,289		8,376	19,913
2005-06	25,667		5,782	19,885
2004-05	19,438		2,894	16,544
2003-04	20,208		3,702	16,506
2002-03	41,845		1,776	40,069
2001-02	10,980		2,224	8,756
2000-01	12,111		12,111	
	<u>\$545,196</u>	<u>\$7,543,819</u>	<u>\$7,442,716</u>	<u>\$646,299</u>
Less Allowance for Uncollectible Ad Valorem Taxes Receivable:				139,878
Ad Valorem Taxes Receivable, Net				<u>\$506,421</u>
Reconciliation with Revenues:				
Ad Valorem Taxes - General Fund				\$7,665,133
Interest and Penalties Collected on Ad Valorem Taxes - General Fund				191,009
				<u>\$7,856,142</u>
Reconciling Items:				
interest and Penalties Collected				(\$191,009)
Refunds				75,476
Dog Tax				(1,116)
Taxes Written Off				(11,012)
Prior Year Releases/Adjustments				(285,765)
Total Reconciling Items				<u>(\$413,426)</u>
Total Collections and Credits				<u>\$7,442,716</u>

GREENE COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
For The Fiscal Year Ended June 30, 2011

	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	\$954,543,651	0.756	\$7,216,350	\$6,658,269	\$558,081
Motor Vehicles Taxed at Prior Year's Rate	42,267,725	0.756	319,544		319,544
Total	\$996,811,376		\$7,535,894	\$6,658,269	\$877,625
Discoveries:					
Current Years Taxes	\$2,908,069	0.756	\$21,985	\$21,985	
Penalties			21,210	21,210	
Total Discoveries	\$2,908,069		\$43,195	\$43,195	\$0
Abatements					
Releases	(\$4,665,344)	0.756	(\$35,270)	(\$16,743)	(\$18,527)
Total Abatements	(\$4,665,344)		(\$35,270)	(\$16,743)	(\$18,527)
Total Property Valuation	\$995,054,101				
Net Levy			\$7,543,819	\$6,684,721	\$859,098
Uncollected Taxes at June 30, 2011			350,416	230,204	120,212
Current Year's Taxes Collected			\$7,193,403	\$6,454,517	\$738,886
Current Levy Collection Percentage			95.35%	96.56%	86.01%

GREENE COUNTY, NORTH CAROLINA
TEN LARGEST TAXPAYERS
For The Fiscal Year Ended June 30, 2011

Taxpayer	Type of Business	2011 Assessed Valuation	Percentage of Total Assessed Valuation
Pitt-Greene EMC	Utility	\$16,262,683	1.63%
Ham Farms, Inc.	Agricultural	10,877,603	1.09%
Mill Run Development Group, LLC	Construction	10,204,236	1.03%
Progress Energy Carolinas	Utility	7,055,698	0.71%
Carolina Telephone	Telephone	5,943,331	0.60%
Vanrack, Inc.	Construction	4,907,653	0.49%
Cutter Creek Golf Club	Country Club	4,709,037	0.47%
L.L. Murphrey Company, Inc.	Swine Producer	4,552,820	0.39%
Biotech Mills, Inc.	Enviromental	4,268,200	0.32%
Piedmont Natural Gas Co., Inc.	Utility	3,667,686	0.31%
		\$72,448,947	7.06%

COMPLIANCE SECTION



BARROW, PARRIS & DAVENPORT, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
662 SUSSEX STREET
KINSTON, NORTH CAROLINA 28504-8319

EDWARD L. BARROW, CPA
JAY A. PARRIS, CPA
L. DOCK DAVENPORT II, CPA

MEMBERS
NORTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

MAILING ADDRESS
POST OFFICE BOX 6069
KINSTON, NC 28501-0069
TELEPHONE: (252) 522-5200
FAX: (252) 523-6366

**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, 2011, which collectively comprises Greene County's basic financial statements, and have issued our report thereon dated December 13, 2011. 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

Management of Greene County is responsible for establishing and maintaining effective 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 described in the schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 questioned costs as Finding 11-1, Finding 11-2, Finding 11-3, Finding 11-4, and Finding 11-5 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 are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Finding 11-5 and 11-6.

The County's response 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 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 13, 2011



BARROW, PARRIS & DAVENPORT, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
662 SUSSEX STREET
KINSTON, NORTH CAROLINA 28504-8319

EDWARD L. BARROW, CPA
JAY A. PARRIS, CPA
L. DOCK DAVENPORT II, CPA

MEMBERS
NORTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

MAILING ADDRESS
POST OFFICE BOX 6069
KINSTON, NC 28501-0069
TELEPHONE: (252) 522-5200
FAX: (252) 523-6366

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE STATE
SINGLE AUDIT IMPLEMENTATION ACT**

To the Board of County Commissioners
Greene County, North Carolina

Compliance

We have audited Greene County, North Carolina's compliance, 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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 are applicable to each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133, and the State Single Audit Implementation Act, and which are described in the accompanying schedule of findings and questioned costs as Finding 11-7 and Finding 11-8.

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.

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 over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 11-7 and 11-8. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged in governance.

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 the response.

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 13, 2011



BARROW, PARRIS & DAVENPORT, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
662 SUSSEX STREET
KINSTON, NORTH CAROLINA 28504-8319

EDWARD L. BARROW, CPA
JAY A. PARRIS, CPA
L. DOCK DAVENPORT II, CPA

MEMBERS
NORTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

MAILING ADDRESS
POST OFFICE BOX 6069
KINSTON, NC 28501-0069
TELEPHONE: (252) 522-5200
FAX: (252) 523-6366

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO 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 Greene County, North Carolina's compliance, 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, 2011. 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 could have a direct and material effect on each of its major State programs for the year ended June 30, 2011. 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 11-9.

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.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 11-9. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged in governance

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 the response.

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 13, 2011

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2011

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> X </u>	<u> </u>

Federal Awards

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>
10.760	U.S.D.A. Supplemental Loan
10.760	System Improvement Grants
10.766	Community Facilities Loan
66.468	ARRA – Drinking Water State Revolving Loan
66.468	ARRA – DWSRF Principal Forgiveness Grant
93.568	Low-Income Home Energy Assistance
	Foster Care and Adoption Cluster:
93.658	Title IV-E CPS
93.658	Title IV-E Optional
93.658	Title IV-E Foster Care – Direct Benefit Payments
93.659	Title IV-E Adoption Subsidy – Direct Benefit Payments
93.778	Title XIX – Medicaid

Dollar threshold used to distinguish between Type A and Type B Programs	<u> \$980,252 </u>
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GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2011

	YES	NO
Auditee qualified as low-risk auditee	_____	_____X_____
<u>State Awards</u>		
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

Alternative Water Supply Supplemental Grants

II. FINANCIAL STATEMENT FINDINGS

FINDING 11-1 – 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, 2011

*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 11-2 – REPORTING

MATERIAL WEAKNESS

Criteria: County personnel should adjust account balances to reflect appropriate year-end balances. County personnel should reconcile general ledger accounts to underlying accounting records in a timely manner. The Schedule of Expenditures of Federal and State Awards should be complete before submitted for audit.

Condition: Some accounts had not been adjusted to reflect appropriate year-end balances. Some of the accounts not appropriately adjusted included cash, property tax revenues, accounts payable, long-term debt, and accrued vacation. In addition, the Schedule of Expenditures of Federal and State Financial Awards was not materially correct when presented for audit. Some of these 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 needs to make it a priority to get its books and records adjusted accurately and timely. This is a repeat finding.

*Views of Responsible
Officials and Planned
Corrective Action:*

The County agrees with this finding and is very concerned about this material weakness and the fact that it continues to be a repeat finding. Procedures and checklists have been developed in order to begin monitoring this process immediately.

FINDING 11-3 – 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.

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2011

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.

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 11-4 – FIXED ASSETS

MATERIAL WEAKNESS

Criteria: Fixed asset records should be maintained accurately and completely to ensure that all fixed assets meeting the County's capitalization threshold are capitalized and depreciated appropriately.

Condition: During the audit of fixed assets, we determined that the spreadsheet used by the County to maintain the fixed asset records contained a significant number of errors. In addition, there were also a number of new additions omitted.

Effect: The depreciation schedule could include material misstatements.

Cause: Since custom depreciation software is not being used to track fixed assets, the County should implement additional procedures to ensure that the spreadsheet used to depreciate fixed assets is accurate and complete.

Recommendation: The County should carefully test the calculations related to the depreciation schedule to ensure that calculations are correct and should also check them thoroughly for all additions. The County may choose to use custom depreciation software designed for governmental entities.

*Views of Responsible
Officials and Planned
Corrective Action:*

The County agrees with this finding. Training through the current software vendor has been requested and it is the County's intent to get all assets on their MUNIS system no later than May 1, 2012.

FINDING 11-5 – 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.

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2011

Condition: Expenditures made in 5 departments in the general fund and 15 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 11-6 – USDA LOAN COVENANTS / DEBT SERVICE REQUIREMENTS

**MATERIAL WEAKNESS
MATERIAL NONCOMPLIANCE**

Criteria: The County has new USDA debt related to Jail Construction, Water Construction and Intermediate School Construction. Each of these new loans has debt service requirements that require funds to be set aside for future debt service.

Condition: No debt service reserves have been established.

Effect: The County is in violation of the loan covenants and the loans could be called and the County forced to seek financing from other sources.

Cause: The County overlooked these requirements.

Recommendation: The County should immediately review the loan documents and establish the required reserves.

Views of Responsible Officials and Planned Corrective Action: The County agrees with this finding. Debt service requirements will be established immediately.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDING 11-7 (REPEAT FINDING)

**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

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2011

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.

As part of the financial requirements, Medicaid case files should contain income verification and evidence that the budget was computed correctly.

Condition: One file did not contain proper State residency documentation, one file did not contain proper citizenship documentation, and one file did not have income the budget computed correctly.

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.

Context: In our test of 40 client files we noted three (3) instances where required documentation was not present.

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.

FINDING 11-8**SIGNIFICANT DEFICIENCY
IMMATERIAL NONCOMPLIANCE**U.S. DEPARTMENT OF AGRICULTURE*Passed Through the N.C. Department of Health and Human Services:*

Program Names: Supplemental Nutrition Assistance Program Cluster: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program, ARRA-State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

CFDA #: 10.561

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES*Passed Through the N.C. Department of Health and Human Services:*

Program Names: Temporary Assistance for Needy Families Cluster: Workfirst Administration, Workfirst Services, TANF Domestic Violence, Direct Benefit Payments; Medical Assistance Program

CFDA #'s: 93.558, 93.778

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2011

Special Tests and Provisions

Criteria: Claims for overpayments in the Work First, Food and Nutrition Services Program (Food Stamps), Medicaid Programs, and AFDC/TANF are to be entered and tracked in EPICS (Enterprise Program Integrity Control System) by all counties. The County must maintain adequate documentation to substantiate the overpayment for all cases.

Condition: EPICS program files, system entry, and case documentation files lacked required documentation. The auditor was unable to perform audit procedures.

Effect: County potentially could miss recoupment of overpayments.

Context: We attempted to audit EPICS and found that no work had been performed by the County in this area for the year being audited.

Cause: The cases referred to EPICS for collections were not verified, documented or entered into the system correctly or in a timely manner. Furthermore, supervision and monitoring procedures were not performed on a consistent basis during the current year.

Recommendation: Personnel responsible for supervision should closely monitor the procedures and performance of staff and ensure controls are established, implemented and monitored in such a way the County is able to effectively monitor and recoup overpayments.

*Views of Responsible
Officials and Planned
Corrective Actions:*

The County DSS agrees with this finding. Procedures are currently being established, implemented and monitored to ensure that the EPICS program violations are managed in such a manner to benefit the County. The County further states they have developed and remitted a Program Integrity Improvement Plan (PIIP) to address and correct each finding that arose as a result of the monitoring visit from the NC Economic and Family Services Section in January 2011. In addition to the PIIP, DSS Director hopes to fill a position specifically for the EPICS program and establish peer reviews for more efficient monitoring of the EPICS cases.

IV. STATE AWARD FINDINGS AND QUESTIONED COSTS

FINDING 11-9

N.C. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Program Name: Medical Assistance Program

REFER TO FEDERAL FINDING 11-7

GREENE COUNTY, NORTH CAROLINA
CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2011

FINANCIAL STATEMENT FINDINGS**FINDING: 11-1**

- 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: 11-2

- A. Name of Contact Person: Shawna Wooten, Finance Officer
- B. Corrective Action: Finance Officer plans to develop periodic checklists documenting duties to be performed and will be reviewed/approved by the County Manager and the Board Chairman. Finance Officer also plans to enter budget amendments into accounting system within five days of previous board meeting and to also provide the Board and County Manager with a year-to-date budget by the second meeting of the following month.
- C. Proposed Completion Date: The County plans to begin this process immediately.

FINDING: 11-3

- 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: 11-4

- A. Name of Contact Person: Shawna Wooten, Finance Officer
- B. Corrective Action: The County plans to schedule fixed asset module training with MUNIS. County plans to have all fixed asset information transferred to the MUNIS software system no later than May 1, 2012.
- 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, 2011**

FINDING: 11-5

- A. Name of Contact Person: Shawna Wooten, Finance Officer
- B. Corrective Action: The Finance Officer plans to review all line items on a monthly basis. The Board will review all department funds at meetings and solicit the department head's oversight for all of their department's accounts. Preapproval by appropriate authorizing party will be required for any invoice or purchase order that makes a line item over budget.
- C. Proposed Completion Date: The County plans to begin this process immediately.

FINDING: 11-6

- A. Name of Contact Person: Shawna Wooten, Finance Officer
- B. Corrective Action: Debt Service requirements will be established at the January 3, 2012 Board meeting and monitored annually.
- C. Proposed Completion Date: The County plans to begin this process immediately.

FINDING: 11-7

- 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: 11-8

- A. Name of Contact Person: Christy Nash, DSS Director
- B. Corrective Action: Procedures will be established to ensure that the EPICS program violations are managed in such a manner to benefit the County. In addition, the County has developed a Program Integrity Improvement Plan.
- C. Proposed Completion Date: The County plans to begin this process immediately.

FINDING: 11-9

REFER TO FINDING 11-7

GREENE COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2011

FINDING:	10-1 Financial Reporting
STATUS:	Not corrected. See current year finding 11-1.
FINDING:	10-2 Reporting
STATUS:	Not corrected. See current year finding 11-2.
FINDING:	10-3 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 11-3.
FINDING:	10-4 Budget Over-expenditures
STATUS:	Not corrected. Instances of budgetary over-expenditures noted during the current year. See current year finding 11-4.
FINDING:	10-5 Internal Service Fund Financial Plan
STATUS:	Corrected.
FINDING:	10-6 Reconciliation of Cash Balances
STATUS:	Corrected.
FINDING:	10-7 Medicaid - Documentation
STATUS:	Not corrected. See current year finding 11-6.

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
For the Fiscal Year Ended June 30, 2011

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	\$8,425		
USDA Supplement Title III C-2	10.570	NC-15	4,739		
			\$13,164	\$0	\$0
<i>Passed Through NC Department of Health and Human Services:</i>					
<i>Division of Public Health:</i>					
<i>Administered by County Health Department:</i>					
Special Supplemental Nutrition Program for Women, Infants and Children:	10.557	15405405	\$190,437		
Direct Benefit Payments:					
Special Supplemental Nutrition Program for WIC	10.557		381,131		
Total Division of Public Health			\$571,568	\$0	\$0
<i>Passed Through NC Department of Health and Human Services:</i>					
<i>Division of Social Services:</i>					
<i>Administered by County Department of Social Services:</i>					
Supplemental Nutrition Assistance Program Cluster:					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$220,310		\$177,170
ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		33,984		
Total Supplemental Nutrition Assistance Program Cluster			\$254,294	\$0	\$177,170
Total NC Department of Health and Human Services			\$839,026	\$0	\$177,170
<i>Passed Through Rural Development:</i>					
<i>Administered by County Finance Department:</i>					
\$2,737,000 USDA Supplemental Loan	10.760		\$495,586		
<i>Administered by County Finance Department:</i>					
Phase 1C System Improvement Grant	10.760		600,000		
Phase 1C System Improvement Grant	10.760		324,512		
Phase 1C System Improvement Supplemental Grant	10.760		2,000,000		
<i>Administered by County Finance Department:</i>					
\$10,500,000 USDA Community Facilities Loan	10.766		2,833,626		
<i>Administered by County Finance Department:</i>					
\$6,600,000 Community Facilities Loan	10.766		100		
\$7,000,000 Community Facilities Loan	10.766		1,750,707		
Total Rural Development			\$8,004,531	\$0	\$0
Total U.S. Department of Agriculture			\$8,843,557	\$0	\$177,170

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
 For the Fiscal Year Ended June 30, 2011

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grantor's Number	Expenditures		
			Federal	State	Local
FEDERAL GRANTS					
U.S. DEPARTMENT OF HOMELAND SECURITY:					
<i>Passed Through NC Department of Crime Control and Public Safety:</i>					
Division of Emergency Management:					
<i>Administered by County Finance Department:</i>					
Homeland Security Grant Program	97.067		\$36,471		
Emergency Management Performance Grant	97.042		41,834		
Emergency Food and Shelter National Board Program	97.024		3,567		
Total U.S. Department of Homeland Security			\$81,872	\$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>					
2009 Community Development Block Grant	14.228		\$131,391		
Total U.S. Department of Housing and Urban Development			\$131,391	\$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		\$515,084		
ARRA - DWSRF Principal Forgiveness Loan	66.468		515,084		
Total U.S. Environmental Protection Agency			\$1,030,168	\$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		\$27,318	\$3,035
Access Title III-B	93.044	NC-15	\$12,673	745	1,491
Title III C-1 Congregate Meals	93.045	NC-15	39,902	5,453	5,040
Title III C-2 90% State Funds	N/A	NC-15		18,806	2,090
Title III C-2 Home-Delivered Meals	93.045	NC-15	23,484	1,381	2,763

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
For the Fiscal Year Ended June 30, 2011

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		\$37,713	\$4,190
In-Home Title III-B	93.044	NC-15	\$93,686	43,224	15,212
Social Services Block Grant	93.667	NC-15	2,821	81	322
Total Aging Cluster			\$172,566	\$134,721	\$34,143
Division of Public Health:					
<i>Passed Through NC Department of Health and Human Services:</i>					
<i>Administered by County Health Department:</i>					
Immunization	93.268		\$8,371		
Public Health Emergency Preparedness	93.069		17,058		
Prevention Investigations and Technical Assistance	93.238		30,022		
Breast/Cervical Cancer	93.238		5,450	\$1,951	
Healthy Start Baby Love Plus Initiative	93.926		39,134		
Risk Reduction/Health Promotion	93.991		15,262	6,217	
Women's Preventative Health	93.994		18,744	14,060	
Maternal Health	93.994		23,912	17,942	
Child Care Coordination	93.994		29,620	1,494	
Child Health	93.994		17,117	12,840	
Women's Preventative Health - TANF	93.558		2,818		
Family Planning	93.218		40,679	6,615	
Chronic Disease	93.283		2,038	35	
System for Public Health	93.283		56,187		
Total Division of Public Health			\$306,412	\$61,154	\$0
Administration for Children and Families:					
<i>Passed Through NC Department of Health and Human Services:</i>					
<i>Division of Social Services:</i>					
<i>Administered by County Finance Department:</i>					
Chafee Foster Care Independence Program (CFCIP)	93.674		\$2,460	\$615	
Family Violence Prevention and Services	93.671		1,089		
Foster Care HSF				60,205	
Total Administration for Children and Families			\$3,549	\$60,820	\$0
<i>Passed Through NC Department of Health and Human Services:</i>					
<i>Division of Social Services:</i>					
Temporary Assistance for Needy Families Cluster:					
<i>Administered by County Department of Social Services:</i>					
Workfirst Administration	93.558		\$55,384		\$33,779
Workfirst Services	93.558		258,782		237,032
TANF Domestic Violence	93.558		7,611		
Direct Benefit Payments:					
Benefit Payments	93.558		232,568		
Total TANF Cluster			\$554,345	\$0	\$270,811

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
For the Fiscal Year Ended June 30, 2011

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grantor's Number	Expenditures		
			Federal	State	Local
FEDERAL GRANTS					
Title IV-D Administration	93.563		\$166,910		\$85,984
Low-Income Home Energy Assistance:					
Administration	93.568		\$20,416		
Crisis Intervention Payments	93.568		168,001		
Direct Benefit Payments:					
Energy Assistance Payments	93.568		176,952		
			\$365,369	\$0	\$0
Permanency Planning - Reg	93.645		\$5,745	\$0	\$1,915
Foster Care and Adoption Cluster					
Title IV-E CPS	93.658		\$37,529	\$9,629	\$27,900
Title IV-E Optional	93.658		74,169		74,168
Direct Benefit Payments:					
Title IV-E Foster Care	93.658		33,151	7,424	7,423
Title IV-E Adoption Subsidy	93.659		129,926	28,714	28,714
Total Foster Care and Adoption Cluster			\$274,775	\$45,767	\$138,205
Social Services Block Grant:					
Other Services and Training	93.667		\$92,354	\$10,943	\$34,413
In Home Services Fund	93.667		29,508		6,953
Total Social Services Block Grant			\$121,862	\$10,943	\$41,366
Total Division of Social Services			\$1,492,555	\$117,530	\$538,281
Division of Child Development:					
<i>Administered by County Department of Social Services:</i>					
Subsidized Child Care Cluster:					
CCDF Discretionary Subsidy	93.575		\$101,814		
TANF to CCDF Discretionary	93.575		191,582		
CCDF Mandatory	93.596		136,834		
CCDF Match	93.596		73,264	\$39,745	
ARRA - CCDF	93.713		6,044		
Total Child Care Development Fund Cluster			\$509,538	\$39,745	\$0
ARRA - Emergency Contingency Fund for TANF - State Program	93.714		\$82,076	\$0	\$0

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
 For the Fiscal Year Ended June 30, 2011

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grantor's Number	Expenditures		
			Federal	State	Local
FEDERAL GRANTS					
Temporary Assistance for Needy Families	93.558		\$94,441		
SSBG Day Care	93.667		2,540	\$847	
TANF Foster Care	93.558		82,909		
Smart Start TANF MOE	N/A			66,793	
Smart Start	N/A			16,526	\$16,145
Total Subsidized Child Care Cluster			\$179,890	\$84,166	\$16,145
Total Division of Child Development			\$771,504	\$123,911	\$16,145
Health Care Financing Administration:					
<i>Passed Through NC Department of Health and Human Services:</i>					
Division of Medical Assistance:					
<i>Administered by County Department of Social Services:</i>					
Medical Assistance Administration	93.778		\$182,942		\$182,633
Medical Assistance Expansion	93.778		11,660	\$11,660	26,905
Medical Transportation Admin	93.778		27,306		401
Adult Care Home Special/Case Management	93.778		7,557	3,624	3,931
Direct Benefit Payments:					
Medical Assistance	93.778		19,598,126	7,820,326	
			\$19,827,591	\$7,835,610	\$213,870
Division of Social Services:					
<i>Administration:</i>					
State Children's Insurance Program - NC Health Choice	93.767		\$17,458	\$878	\$4,833
Total U.S. Department of Health and Human Services			\$22,588,086	\$8,273,804	\$984,442
TOTAL FEDERAL ASSISTANCE			\$32,675,074	\$8,273,804	\$984,442

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
 For the Fiscal Year Ended June 30, 2011

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 ENVIRONMENTAL AND NATURAL RESOURCES:					
Division of Waste Management:					
<i>Administered by County Finance Department:</i>					
Soil Conservation Grant	N/A		\$0	\$76,078	\$0
NC DEPARTMENT OF JUVENILE JUSTICE & DELINQUENCY PREVENTION:					
<i>Administered by County Finance Department:</i>					
Juvenile Crime Prevention:					
Juvenile Crime Prevention Administration	N/A			\$9,350	
Family Preservation	N/A			14,205	
SEED Program	N/A			10,975	
Juvenile Restitution	N/A			46,158	
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				\$36,532
Energy Neighborhood	N/A				3,346
Direct Benefit Payment:					
SC/SA Domiciliary Care Payments	N/A			\$261,819	261,819
			\$0	\$261,819	\$301,697
Division of Public Health:					
<i>Administered by County Health Department:</i>					
General	N/A			\$110,417	
Women's Preventative Health	N/A			4,739	
Communicable Disease	N/A			10,623	
Family Planning	N/A			82,916	
Aids - State	N/A			500	
Child Health Training	N/A			96,002	
HWTFC Grant	N/A	1378		59,038	
Family Strengthening Initiative	N/A			33,449	
			\$0	\$397,684	\$0
Total NC Department of Health and Human Services			\$0	\$659,503	\$301,697

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
 For the Fiscal Year Ended June 30, 2011

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grantor's Number	Expenditures		
			Federal	State	Local
STATE PROGRAMS					
NC DEPARTMENT OF INSURANCE:					
<i>Administered by County Finance Department:</i>					
SHIIP Grant	N/A			\$3,115	
Total NC Department of Insurance			\$0	\$3,115	\$0
NC DEPARTMENT OF TRANSPORTATION:					
<i>Administered by County Finance Department:</i>					
ROAP Funds	N/A			\$67,169	
Transportation Admin. Grant	N/A			95,176	
Total NC Department of Transportation			\$0	\$162,345	\$0
NC DEPARTMENT OF CORRECTIONS:					
Division of Community Corrections:					
<i>Administered by County Sheriffs Department:</i>					
Criminal Justice Partnership	N/A	G0799-1A		\$51,586	
Total NC Department of Corrections			\$0	\$51,586	\$0
NC DEPARTMENT OF PUBLIC INSTRUCTION:					
<i>Administered by County Finance Department:</i>					
Public School Building Capital Fund - Lottery	N/A			\$142,803	
Total North Carolina Department of Public Instruction			\$0	\$142,803	\$0
NORTH CAROLINA'S EASTERN REGION:					
<i>Administered by County Finance Department:</i>					
Flex-Cap Local Grant - Marketing	N/A			\$3,250	
Total North Carolina's Eastern Region			\$0	\$3,250	\$0
NORTH CAROLINA RURAL CENTER					
<i>Administered by County Finance Department:</i>					
Alternative Water Supply Supplemental Grant	N/A	2008-311-40101-112		\$450,000	
<i>Passed through Town of Hookerton:</i>					
Alternative Water Supply Supplemental Grant	N/A	2008-312-40101-112		450,000	
<i>Passed through Town of Snow Hill:</i>					
Alternative Water Supply Supplemental Grant	N/A	2008-313-40101-112		450,000	
<i>Passed through Town of Walstonburg:</i>					
Alternative Water Supply Supplemental Grant	N/A	2008-314-40101-112		450,000	
Total North Carolina Rural Center			\$0	\$1,800,000	\$0
TOTAL STATE ASSISTANCE			\$0	\$2,981,368	\$301,697
TOTAL FEDERAL AND STATE ASSISTANCE			\$32,675,074	\$11,255,172	\$1,286,139

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
 For the Fiscal Year Ended June 30, 2011

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, 2011. The expended portion of these loan proceeds are included in the federal expenditures presented in the schedule.

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Outstanding</u>
Community Facilities Loans & Grants Interim Financing Refinanced with USDA loans \$10,500,000 loan, \$9,728,314 Expenditures to date	10.766	\$10,500,000
Water and Waste Water Disposal Systems for Rural Communities Supplemental Loan Refinanced with USDA loans \$2,737,000 loan, \$2,737,000 Expenditures to date	10.766	\$2,737,000
Community Facilities Loans & Grants Financing with USDA loans \$6,600,000 loan, \$100 Expenditures to date	10.766	\$6,600,000
Community Facilities Loans & Grants Financing with USDA loans \$7,000,000 loan, \$1,750,707 Expenditures to date	10.766	\$7,000,000

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.