

COUNTY OF GREENE
Snow Hill, North Carolina

FINANCIAL STATEMENTS

For The Fiscal Year Ended June 30, 2012

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

FINANCIAL STATEMENTS

For The Fiscal Year Ended June 30, 2012

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

GREENE COUNTY, NORTH CAROLINA

BOARD OF COMMISSIONERS

JAMES T. SHACKLEFORD, JR.
Chairman

J. JACK EDMONDSON
Vice-Chairman

T. DENNY GARNER

BENNIE J. HEATH

JERRY R. JONES

COUNTY OFFICIALS

DON L. DAVENPORT
County Manager

SHAWNA T. WOOTEN
Finance Officer

FINANCIAL SECTION:

Independent Auditor's Report..... 1 – 2

Management's Discussion and Analysis 3 – 11

BASIC FINANCIAL STATEMENTS:

EXHIBIT

Government-wide Financial Statements:

1 Statement of Net Assets 12

2 Statement of Activities 13 – 14

Fund Financial Statements:

3 Balance Sheet – Governmental Funds 15

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

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

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

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

7 Statement of Net Assets – Proprietary Funds 19

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

9 Statement of Cash Flows – Proprietary Funds 21 – 22

10 Statement of Fiduciary Net Assets – Fiduciary Funds 23

Notes to the Financial Statements 24 – 58

REQUIRED SUPPLEMENTARY INFORMATION

STATEMENT

Law Enforcement Officers' Special Separation Allowance:

1 Schedule of Funding Progress 59

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

Other Postemployment Benefits:

3 Schedule of Funding Progress 61

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

SUPPLEMENTARY INFORMATION
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:

5	Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund – Budget and Actual	63 – 69
6	Statement of Revenues, Expenditures and Changes in Fund Balance – Intermediate School Capital Project Fund – Budget and Actual	70
7	Combining Balance Sheet – Nonmajor Governmental Funds	71 – 72
8	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	73 – 74
9	Fire District Funds	75
10	Property Revaluation Fund.....	76
11	Emergency Telephone System Fund.....	77
12	April 2011 Tornado Fund.....	78
13	2009 Community Development Block Grant	79
14	Hurricane Irene Fund.....	80
15	School Capital Finance Fund	81
16	American Prawn Cooperative Project Fund	82
17	Jail Construction / Court House Renovation Capital Project Fund	83
18	Debt Service Fund	84
19	Utility Fund.....	85 – 86
20	Utility Capital Reserve Fund.....	87
21	Utility Alternative Water Supply Capital Reserve Fund	88
22	Utility Cutter Creek Sewer Construction Project Fund	89
23	Utility Alternative Water Phase 1A Project Fund	90
24	Utility Alternative Water Phase 1C Project Fund.....	91
25	Utility Alternative Water Phase 1F Project Fund	92
26	Utility Alternative Water Phase 1G Project Fund.....	93
27	Water and Sewer District 1 Capital Project Fund	94
28	Water Debt Reserve Fund	95
29	Landfill Fund	96 – 97
30	Transportation System Fund	98

STATISTICAL SECTION:

31 ASO-Self Funded Medical Insurance Internal Service Fund.....99

32 Combining Statement of Changes in Assets and Liabilities – Agency Funds.....100

33 Statement of Ad Valorem Taxes Receivable.....101

34 Analysis of Current Tax Levy – County-Wide Levy102

35 Ten Largest Taxpayers.....103

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*104 – 105

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 Act106 – 107

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.....108 – 109

1 Schedule of Findings and Questioned Costs110 – 115

2 Corrective Action Plan116 – 117

3 Summary Schedule of Prior Audit Findings.....118

4 Schedule of Expenditures of Federal and State Financial Awards119 – 126

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

J. DWAYNE MURPHY, CPA
DAVID L. COMER, 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 AUDITOR'S 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, 2012, 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, based on our audit, 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, 2012, 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 November 19, 2012 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 and other matters. 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.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowances and the Other Postemployment Benefits Schedules of Funding Progress and Employer Contributions on pages 59-60 and 61-62, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Greene County's basic financial statements as a whole. The introductory information, combining and individual nonmajor fund statements, budgetary schedules and other schedules, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules, other schedules and the 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 certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary schedules, other schedules and the schedule of expenditures of federal and State awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory information and the statistical section have not been subjected to the auditing procedures applied by us and the other auditors in the audit of basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Barrow, Parris & Davenport, P.A.

BARROW, PARRIS & DAVENPORT, P.A.

November 19, 2012

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, 2012. 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

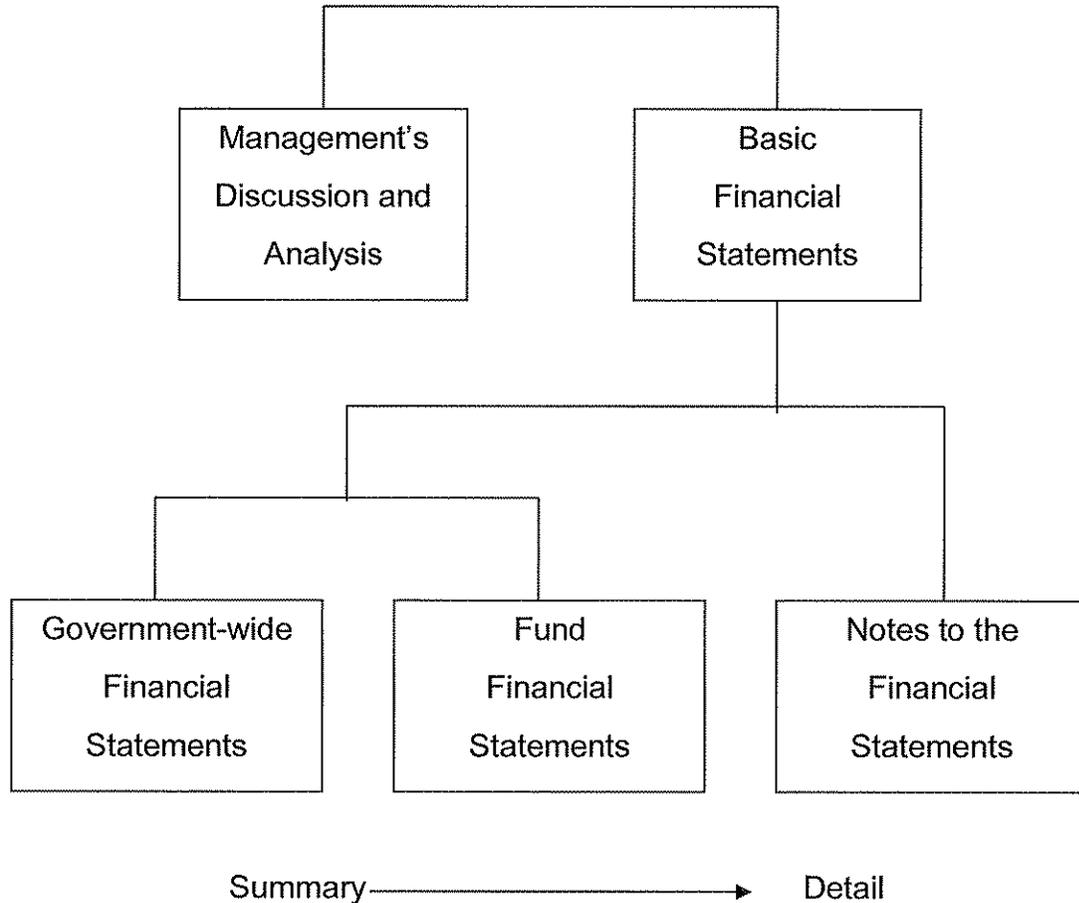
- The assets of Greene County exceeded its liabilities at the close of the fiscal year by \$37,941,219.
- The government's total net assets increased by \$1,048,066, primarily due to increased net assets in the Utility Fund. This compares to an increase of \$4,406,166 in 2011.
- A prior period adjustment of (\$201,693) was made to the governmental activities beginning net assets (See Note III-D).
- 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 \$1,773,191, a decrease of \$3,151,795 in comparison with the previous year. Approximately 25.30% of this total amount, or \$448,568 is available for spending at the government's discretion (unassigned fund balance). In 2011, the unassigned fund balance was \$2,100,614, or 9.16% of expenditures.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$448,568, or 2.61% of total General Fund expenditures for the fiscal year. In 2011, unassigned fund balance in the General Fund was \$2,434,330 or 14.37% of total General Fund expenditures.
- Greene County's total debt increased by \$8,863,455, or 30.08% during the current fiscal year. New debt totaling \$16,348,714 was issued during the current fiscal year. Of this amount, \$6,537,000 represents Bond Anticipation Notes received in prior years for the Greenville Utilities Commission Waterline Improvements Project Phase 1C that were refinanced with the United States Department of Agriculture (USDA) during the fiscal year. Other key factors in new issuances include 1) Global Transpark Development Zone Loan issued 2) USDA funds to complete construction of the Greene County Intermediate School; and 3) Drinking Water State Revolving Funds Program (DWSRF) funds to complete construction of the Greenville Utilities Commission Waterline Improvements Project Phase 1F.
- Construction began in the prior year on the \$14,000,000 Greene County Intermediate School Project. 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.

THIS SECTION INTENTIONALLY LEFT BLANK

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 \$37,941,219 as of June 30, 2012. As of June 30, 2011, the net assets of Greene County stood at \$37,094,846. The change in net assets for the year of \$1,048,066 along with the prior period adjustment to beginning net assets in the governmental activities of (\$201,693) (See Note III-D) make up the net increase in total net assets for the year of \$846,373. This compares to an increase of \$4,406,166 in 2011. One of the largest portions, \$30,649,622 (80.78%), 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 \$9,873,913 (26.02%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$2,582,316) ((6.80%)) is unrestricted. In 2011, the amount of net assets invested in capital assets net of related debt was \$27,518,939, with restricted assets standing at \$9,218,165. The remaining \$357,742 was unrestricted net assets for that year.

Greene County's Net Assets
Figure 2

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$5,570,952	\$7,086,940	\$8,946,250	\$8,166,587	\$14,517,202	\$15,253,527
Capital assets	28,877,491	17,082,485	39,818,541	39,404,280	68,696,032	56,486,765
Total assets	\$34,448,443	\$24,169,425	\$48,764,791	\$47,570,867	\$83,213,234	\$71,740,292
Long-term liabilities outstanding	\$21,681,544	\$12,334,575	\$18,058,990	\$12,004,869	\$39,740,534	\$24,339,444
Other liabilities	3,852,309	2,104,413	1,679,172	8,201,589	5,531,481	10,306,002
Total liabilities	\$25,533,853	\$14,438,988	\$19,738,162	\$20,206,458	\$45,272,015	\$34,645,446
Net assets:						
Invested in capital	\$8,530,053	\$6,311,077	\$22,119,569	\$21,207,862	\$30,649,622	\$27,518,939
Restricted	3,494,888	2,896,472	6,379,025	6,321,693	9,873,913	9,218,165
Unrestricted	(3,110,351)	522,888	528,035	(165,146)	(2,582,316)	357,742
Total net assets	\$8,914,590	\$9,730,437	\$29,026,629	\$27,364,409	\$37,941,219	\$37,094,846

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

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

- The Intermediate School and the Courthouse Renovations Capital Projects both have combined deficit fund balances before factoring in debt service funds of (\$2,458,927) at year end due to the timing of loan draws in relation to expenditures (See Note II-B). The expenditures in these funds are construction in progress in the government-wide statements, therefore, increasing the amount of net assets invested in capital assets, net of related debt. Since the loan draws are significantly less than the amount of expenditures (construction in progress), the amount of net assets invested in capital assets, net of related debt is inflated.
- Restrictions on net assets in the governmental activities have increased by \$655,748 from the prior year while total net assets have decreased.

Greene County Changes in Net Assets
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for Services	\$1,147,054	\$1,388,796	\$3,253,667	\$3,356,180	\$4,400,721	\$4,744,976
Operating Grants and Contributions	4,852,883	5,492,873	1,079,824	961,458	5,932,707	6,454,331
Capital Grants and Contributions	202,340	310,665	1,463,250	4,881,702	1,665,590	5,192,367
General Revenues:						
Property Taxes	8,496,840	8,468,264			8,496,840	8,468,264
Local Option Sales Tax	2,083,912	1,903,515			2,083,912	1,903,515
Other Taxes	32,638	62,724			32,638	62,724
Grants and Contributions not restricted to Specific Programs	82,585	83,648			82,585	83,648
Investment Earnings	2,179	8,068	3,849	12,506	6,028	20,574
Other	77,139	53,062			77,139	53,062
Total revenues	\$16,977,570	\$17,771,615	\$5,800,590	\$9,211,846	\$22,778,160	\$26,983,461
Expenses:						
General Government	\$2,636,891	\$2,449,100			\$2,636,891	\$2,449,100
Public Safety	5,419,322	4,955,910			5,419,322	4,955,910
Environmental Protection	46,206	55,521			46,206	55,521
Economic and Physical Development	623,411	576,240			623,411	576,240
Human Services	5,977,704	6,353,920			5,977,704	6,353,920
Cultural and Recreation	361,990	491,229			361,990	491,229
Education	2,944,661	3,027,219			2,944,661	3,027,219
Interest on Long-Term Debt	329,784	421,471			329,784	421,471
Utility			\$3,038,436	\$2,314,851	3,038,436	2,314,851
Landfill			892,056	647,868	892,056	647,868
Nonmajor Enterprise Activities			486,080	499,747	486,080	499,747
Total expenses	\$18,339,969	\$18,330,610	\$4,416,572	\$3,462,466	\$22,756,541	\$21,793,076
Increase (Decrease) in net assets before transfers and special items	(\$1,362,399)	(\$558,995)	\$1,384,018	\$5,749,380	\$21,619	\$5,190,385
Transfers	(278,202)	(128,683)	278,202	128,683		
Sales of Fixed Assets				6,520		6,520
Special Items - Disposal of Fixed Assets		(790,739)				(790,739)
Special Item - Donated Asset	1,026,447				1,026,447	
Increase (Decrease) in net assets	(\$614,154)	(\$1,478,417)	\$1,662,220	\$5,884,583	\$1,048,066	\$4,406,166
Net assets, July 1 as originally reported	9,730,437	11,208,854	27,364,409	21,479,826	37,094,846	32,688,680
Prior Period Adjustment, See Note III-D	(201,693)				(201,693)	
Net assets, July 1 as Restated	9,528,744		27,364,409		36,893,153	
Net assets, June 30	\$8,914,590	\$9,730,437	\$29,026,629	\$27,364,409	\$37,941,219	\$37,094,846

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

Governmental activities. Governmental activities decreased the County's net assets by \$815,847. This compares to a decrease of \$1,478,417 in 2011. The key elements of this year's decrease are as follows:

- State and Federal Grants & Contributions are down approximately \$508,000 from the previous year.
- Jail and Officer Fees are down approximately \$117,000 mainly due to the County no longer providing law enforcement services to the Town of Snow Hill and the Town of Hookerton.
- Ambulance and EMS Fees collected during the year are down approximately \$149,000.
- There were no lottery funds received during the year for the School Capital Project Fund.
- Transfers to other funds are up from the previous year while expenses remained flat.
- A prior period adjustment for (\$201,693) was made during the year. See Note III-D.

Business-type activities. Business-type activities increased Greene County's net assets by \$1,662,220. Net assets increased by \$5,884,583 in 2011. 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.
- Collections for tipping fees in the County Landfill continue to be up due to Hurricane Irene.

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 \$448,568, while total fund balance reached \$3,473,053. 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 2.61% of total General Fund expenditures, while total fund balance represents 20.18% of that same amount.

At June 30, 2012, the governmental funds of Greene County reported a combined fund balance of \$1,773,191, a 64.00% decrease from last year. Of this decrease, approximately 33% is directly related to the negative change in fund balance in the General Fund. Approximately 19% is directly related to the negative change in fund balance in the Intermediate School Capital Project Fund. This project currently has a (\$2,048,038) fund balance due to the timing of loan draws in relation to expenditures. Approximately 8% is directly related to the negative change in fund balance in the Special Revenue Funds and 7% is directly related to a prior period adjustment in the amount of (\$201,693) (See Note III-D).

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 \$403,337 and are explained as follows:

- The County's budget was amended to receive an additional \$175,000 of Medicaid Hold Harmless dollars.

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

- The County's budget was amended for \$50,000 for Article 40 one-half percent Local Option Sales and Use Tax.
- The County's budget was amended to receive \$50,000 from for a Global Transpark Development Zone Loan.
- The County's budget was amended to account for appropriations to fund additional County services and expenditures in the amount of approximately \$128,337.

Capital Asset and Debt Administration

Capital Assets. Greene County's capital assets for its government and business-type activities as of June 30, 2012, totals \$68,696,032 (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 six used reconditioned vehicles for the Sheriff's Department.
- Purchased new equipment for the recreation park to replace equipment destroyed by the April 2011 Tornado.
- Received in the form of a donated asset from Neuse Regional Library, the new completed Greene County Library Addition from NRL's recent construction project. See Note XI.
- Additional amounts of construction in progress relating to the Courthouse Renovations Project as well as the Intermediate School Project.
- Additional phases of the Greenville Utilities Commission Waterline Project, 1C and 1F, went online during the year. Upon completion of all phases of this project, Greene County will be able to receive water transmission from Greenville Utilities Commission.
- Purchased used track dozer and compactor for the Landfill Fund.
- Purchased new vans for the Transportation Department and also disposed of older vans as well.

Greene County's Capital Assets
(Net of Depreciation)

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$628,982	\$650,923	\$337,382	\$328,202	\$966,364	\$979,125
Buildings and System	14,915,567	14,013,159	39,098,204	25,113,063	54,013,771	39,126,222
Machinery and Equipment	294,058	210,967	122,787	104,778	416,845	315,745
Vehicles and Motorized Equipment	211,665	208,191	260,168	155,081	471,833	363,272
Construction in Progress	12,827,219	1,999,245		13,703,156	12,827,219	15,702,401
	\$28,877,491	\$17,082,485	\$39,818,541	\$39,404,280	\$68,696,032	\$56,486,765

Additional information on the County's capital assets can be found in note III.A.6 on pages 37 - 38 of this audited financial report.

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

Long-term Debt. As of June 30, 2012, Greene County had \$14,633,556 in bonded debt outstanding all of which is backed by the full faith and credit of the County.

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Notes Payable	\$168,387		\$11,385	\$157,002
Global Transpark Development Zone Loan	327,223	\$50,000	96,743	280,480
Installment Purchase Contracts	10,771,408	9,477,168	58,140	20,190,436
Total Governmental Activities	\$11,267,018	\$9,527,168	\$166,268	\$20,627,918
Business-type Activities:				
Installment Purchase Contract	\$2,250,174		\$534,758	\$1,715,416
Bond Anticipation Notes	6,537,000		6,537,000	
Clean Water Bond Loan	2,066,788		172,232	1,894,556
Revenue Bonds	6,202,000	\$6,537,000		12,739,000
DWSRF Revolving Loan	1,140,455	284,545	75,000	1,350,000
Total Business-type Activities	\$18,196,417	\$6,821,545	\$7,318,990	\$17,698,972

Greene County's total debt increased by \$8,863,455 (30.08%) during the past fiscal year. New debt for the Greene County Intermediate School was issued to the County for \$9,010,544, new debt for the Greene County Courthouse Renovations was issued to the County for \$466,624, a new Global Transpark Development Zone Loan was issued to the County for \$50,000, and additional monies pertaining to the DWSRF Revolving Loan were issued in the amount of \$284,545. The \$6,537,000 GUC Waterline Project Phase 1C Bond Anticipation Note, "(BAN)" proceeds were refinanced during the fiscal year with USDA. The County also has debt retirement of \$948,258 for the year.

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 \$80,310,201. The County has \$0 in bonds authorized but unissued at June 30, 2012.

Additional information regarding Greene County's long-term debt can be found in Note III.B.7 beginning on page 46 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 unemployment rate. As of June 30, 2012, the County unemployment rate was 10.9% as compared with the State average of 9.4%.
- Two phases, 1A and 1F, of the Alternative Water Project are complete. The project was completed to meet Central Coastal Plain Capacity use rules. This pipeline will allow five million gallons per day to Farmville and Greene County. The County began purchasing water from Greenville Utilities Commission in February 2012.
- Construction for Greene County Intermediate School is near completion. Students began attending the school in August of 2012.
- Courthouse Renovations are underway with the first phase of the project completed. The Register of Deeds has moved down to the basement. The Clerk of Court now occupies the first floor, while courtroom renovations will be completed in 2013.

Budget Highlights for the Fiscal Year Ending June 30, 2013

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 County will be issuing bid awards for Phase 1G of the Alternative Water Project in 2013.

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. You can also call (252)-747-3446 or visit our website www.co.greene.nc.us for more information.

BASIC FINANCIAL STATEMENTS

GREENE COUNTY, NORTH CAROLINA
STATEMENT OF NET ASSETS
June 30, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Greene County ABC Board
<u>ASSETS</u>				
Assets:				
Cash and Cash Equivalents	\$2,363,051	\$1,486,403	\$3,849,454	\$154,258
Receivables (Net)	1,086,724	586,292	1,673,016	477
Due From Other Governments	1,252,973	645,525	1,898,498	
Internal Balances	240,660	(240,660)		
Inventories				120,322
Prepaid Items				8,181
Restricted Cash and Cash Equivalents	280,440	6,468,690	6,749,130	
Notes Receivable:				
Due within one year	125,153		125,153	
Due in more than one year	221,951		221,951	
Capital Assets:				
Land, Improvements, and Construction in Progress	13,456,201	337,382	13,793,583	12,055
Other Capital Assets, Net of Depreciation	15,421,290	39,481,159	54,902,449	13,621
Total Capital Assets	\$28,877,491	\$39,818,541	\$68,696,032	\$25,676
Total Assets	\$34,448,443	\$48,764,791	\$83,213,234	\$308,914
<u>LIABILITIES AND NET ASSETS</u>				
Liabilities:				
Accounts Payable and Accrued Expenses	\$3,030,472	\$680,562	\$3,711,034	\$51,950
Unearned Revenue	103,353		103,353	
Accrued Interest Payable	340,024	66,790	406,814	
Customer Deposits		131,671	131,671	
Long-term Liabilities:				
Due within one year	378,460	800,149	1,178,609	
Due in more than one year	21,681,544	18,058,990	39,740,534	
Total Liabilities	\$25,533,853	\$19,738,162	\$45,272,015	\$51,950
Net Assets:				
Invested in Capital Assets, Net of Related Debt	\$8,530,053	\$22,119,569	\$30,649,622	\$25,676
Restricted for:				
Public Safety	35,447		35,447	
Register of Deeds	39,410		39,410	
Stabilization by State Statute	2,652,703		2,652,703	
Human Services	452,462		452,462	
Capital Outlay	142,066		142,066	
Alternative Water Supply		5,387,819	5,387,819	
Capital Projects		907,078	907,078	
Loan Payments to USDA	172,800	84,128	256,928	
Unrestricted	(3,110,351)	528,035	(2,582,316)	231,288
Total Net Assets	\$8,914,590	\$29,026,629	\$37,941,219	\$256,964

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

GREENE COUNTY, NORTH CAROLINA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$2,636,891	\$90,173	\$29,097	
Public Safety	5,419,322	1,012,356	612,669	\$11,252
Environmental Protection	46,206		19,701	
Economic and Physical Development	623,411		14,937	191,088
Human Services	5,977,704		4,175,229	
Cultural and Recreation	361,990	44,525	1,250	
Education	2,944,661			
Interest on Long-Term Debt	329,784			
Total Governmental Activities	\$18,339,969	\$1,147,054	\$4,852,883	\$202,340
Business-type Activities:				
Utility Fund (Water and Sewer)	\$3,038,436	\$2,150,114	\$1,079,824	\$1,109,142
Landfill Fund	892,056	897,494		
Transportation Fund	486,080	206,059		354,108
Total Business-type Activities	\$4,416,572	\$3,253,667	\$1,079,824	\$1,463,250
	\$22,756,541	\$4,400,721	\$5,932,707	\$1,665,590
Component Unit:				
ABC Board	\$668,156	\$679,359		
Total Component Unit	\$668,156	\$679,359	\$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

Special Item - Donated Asset

Miscellaneous, Unrestricted

Transfers

Total General Revenues, Special Items, and Transfers

Change in Net Assets

Net Assets, Beginning

Prior Period Adjustment, See Note III-D

Net Assets, Beginning (Restated)

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
(\$2,517,621)		(\$2,517,621)	
(3,783,045)		(3,783,045)	
(26,505)		(26,505)	
(417,386)		(417,386)	
(1,802,475)		(1,802,475)	
(316,215)		(316,215)	
(2,944,661)		(2,944,661)	
(329,784)		(329,784)	
(\$12,137,692)	\$0	(\$12,137,692)	
	\$1,300,644	\$1,300,644	
	5,438	5,438	
	74,087	74,087	
\$0	\$1,380,169	\$1,380,169	
(\$12,137,692)	\$1,380,169	(\$10,757,523)	
			\$11,203
\$8,496,840		\$8,496,840	
2,083,912		2,083,912	
32,638		32,638	
82,585		82,585	
2,179	\$3,849	6,028	\$347
1,026,447		1,026,447	
77,139		77,139	172
(278,202)	278,202		
\$11,523,538	\$282,051	\$11,805,589	\$519
(\$614,154)	\$1,662,220	\$1,048,066	\$11,722
9,730,437	27,364,409	37,094,846	245,242
(201,693)		(201,693)	
9,528,744	27,364,409	36,893,153	245,242
\$8,914,590	\$29,026,629	\$37,941,219	\$256,964

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

GREENE COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012

	Major		Non-Major	Total Governmental Funds
	General	Intermediate School Capital Project Fund	Other Governmental Funds	
ASSETS:				
Cash and Cash Equivalents	\$1,672,876	\$11,484	\$552,581	\$2,236,941
Restricted Cash and Cash Equivalents		95,292	185,148	280,440
Receivables, Net	908,096		70,736	978,832
Due From Other Governments	974,490	261,360	17,123	1,252,973
Due From Other Funds	661,925		8,063	669,988
Current Portion - Notes Receivable	125,153			125,153
Notes Receivable	221,951			221,951
TOTAL ASSETS	\$4,564,491	\$368,136	\$833,651	\$5,766,278
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable and Accrued Liabilities	\$428,286	\$2,311,305	\$132,128	\$2,871,719
Due to Other Funds	23,284	9,577	396,467	429,328
Unearned Revenue	103,353			103,353
Deferred Revenue	536,515		52,172	588,687
Total Liabilities	\$1,091,438	\$2,320,882	\$580,767	\$3,993,087
<i>Fund Balances:</i>				
Restricted:				
Stabilization by State Statute	\$2,355,100	\$261,360	\$36,243	\$2,652,703
Register of Deeds	39,410			39,410
Health Department	452,462			452,462
Sheriff Department	35,447			35,447
Capital Outlay	142,066			142,066
USDA Loan Payments		95,292	77,508	172,800
Committed:				
Tax Revaluation			106,754	106,754
Assigned:				
Special Revenue Funds			449,537	449,537
Capital Project Funds		(2,309,398)	(417,158)	(2,726,556)
Unassigned	448,568			448,568
Total Fund Balances	\$3,473,053	(\$1,952,746)	\$252,884	\$1,773,191
TOTAL LIABILITIES AND FUND BALANCES	\$4,564,491	\$368,136	\$833,651	

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.	28,877,491
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	107,892
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.	19,529
Liabilities for earned but deferred revenues in fund statements.	536,515
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).	(22,400,028)
Net Assets of Governmental Activities	\$8,914,590

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, 2012

	Major		Non-major	Total Governmental Funds
	General	Intermediate School Project Fund	Other Governmental Funds	
REVENUES:				
Ad Valorem Taxes	\$7,847,425		\$608,878	\$8,456,303
Local Option Sales Taxes	2,083,912			2,083,912
Other Taxes and Licenses	32,638			32,638
Unrestricted Intergovernmental	82,585			82,585
Restricted Intergovernmental	4,665,983		316,459	4,982,442
Permits and Fees	230,835			230,835
Sales and Services	876,830			876,830
Investment Earnings	1,056	\$134	802	1,992
Miscellaneous	113,604		143,642	257,246
Total Revenues	\$15,934,868	\$134	\$1,069,781	\$17,004,783
EXPENDITURES:				
<i>Current:</i>				
General Government	\$2,304,161			\$2,304,161
Public Safety	4,274,843		\$1,265,097	5,539,940
Environmental Protection	46,206			46,206
Economic and Physical Development	811,431		273,828	1,085,259
Human Services	5,901,472			5,901,472
Cultural and Recreational	426,726			426,726
<i>Intergovernmental:</i>				
Education	2,944,659	\$10,051,639		12,996,298
Capital Outlay			300,572	300,572
<i>Debt Service:</i>				
Principal	125,273		40,995	166,268
Interest	378,210		9,229	387,439
Total Expenditures	\$17,212,981	\$10,051,639	\$1,889,721	\$29,154,341
Excess (Deficiency) of Revenues Over Expenditures	(\$1,278,113)	(\$10,051,505)	(\$819,940)	(\$12,149,558)
OTHER FINANCING SOURCES (USES):				
Transfers To Other Funds	(\$471,002)		(\$115,300)	(\$586,302)
Transfers From Other Funds	115,300	\$95,292	97,508	308,100
Sale of Fixed Assets	490			490
Installment Purchase Obligations Issued		9,010,544	466,624	9,477,168
Total Other Financing Sources (Uses)	(\$355,212)	\$9,105,836	\$448,832	\$9,199,456
Net Change in Fund Balance	(\$1,633,325)	(\$945,669)	(\$371,108)	(\$2,950,102)
<i>Fund Balances, Beginning</i>	5,106,378	(1,007,077)	825,685	4,924,986
<i>Prior Period Adjustment (See Note III-D)</i>			(201,693)	
<i>Fund Balances, Beginning (Restated)</i>	5,106,378	(1,007,077)	623,992	4,723,293
FUND BALANCES, ENDING	\$3,473,053	(\$1,952,746)	\$252,884	\$1,773,191

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, 2012

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

Net changes in fund balances - total governmental funds (\$2,950,102)

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	\$11,278,106	
Depreciation expense for governmental assets	(480,571)	10,797,535

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		40,536
--	--	--------

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	(\$9,527,167)	
Principal payments on long term debt	166,268	
Decrease in accrued interest payable	57,655	(9,303,244)

Net Book Value of Assets Sold		(7,035)
Value of Land Donated by County		(21,941)

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	(\$6,768)	
Net pension obligation	(20,909)	
Other postemployment benefits	(173,046)	
Net gain of internal service fund determined to be governmental-type	4,373	
Special Items - Greene County Library Donated Asset	1,026,447	830,097

Total Changes in Net Assets of Governmental Activities		(\$614,154)
---	--	--------------------

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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
Revenues:				
Ad Valorem Taxes	\$7,999,353	\$8,030,553	\$7,847,425	(\$183,128)
Local Option Sales Taxes	1,970,012	2,020,012	2,083,912	63,900
Other Taxes and Licenses	78,000	78,000	32,638	(45,362)
Unrestricted Intergovernmental	83,000	83,000	82,585	(415)
Restricted Intergovernmental	5,808,301	6,110,839	4,665,983	(1,444,856)
Permits and Fees	250,600	250,900	230,835	(20,065)
Sales and Services	1,610,837	1,457,630	876,830	(580,800)
Investment Earnings	60,300	60,300	1,056	(59,244)
Miscellaneous	568,819	629,202	113,604	(515,598)
Total Revenues	\$18,429,222	\$18,720,436	\$15,934,868	(\$2,785,568)
Expenditures:				
<i>Current:</i>				
General Government	\$2,213,084	\$2,405,240	\$2,304,161	\$101,079
Public Safety	4,772,336	4,507,586	4,274,843	232,743
Environmental Protection	54,220	54,220	46,206	8,014
Economic and Physical Development	905,529	848,661	811,431	37,230
Human Services	6,271,448	6,666,595	5,901,472	765,123
Cultural and Recreational	461,376	444,938	426,726	18,212
<i>Intergovernmental:</i>				
Education	2,991,185	2,945,893	2,944,659	1,234
<i>Debt Service:</i>				
Principal Retirement	164,713	235,240	125,273	109,967
Interest	433,529	395,584	378,210	17,374
Total Expenditures	\$18,267,420	\$18,503,957	\$17,212,981	\$1,290,976
Revenues Over (Under) Expenditures	\$161,802	\$216,479	(\$1,278,113)	(\$1,494,592)
Other Financing Sources (Uses):				
Transfers To Other Funds	(\$304,702)	(\$471,502)	(\$471,002)	\$500
Transfers From Other Funds	107,900	115,300	115,300	
Sale of Fixed Assets	15,000	15,000	490	(14,510)
Fund Balance Appropriated		104,723		(104,723)
Capital Lease Obligations Issued	20,000	20,000		(20,000)
Total Other Financing Sources (Uses)	(\$161,802)	(\$216,479)	(\$355,212)	(\$138,733)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$0	\$0	(\$1,633,325)	(\$1,633,325)
Fund Balances:				
<i>Beginning of Year, July 1</i>			5,106,378	
End of Year, June 30			\$3,473,053	

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

GREENE COUNTY, NORTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2012

	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	\$1,244,993	\$161,790	\$79,620	\$1,486,403	\$126,110
Receivables, Net	536,700	49,592		586,292	
Due From Other Governments	567,896	54,435	23,194	645,525	
Due From Other Funds	811,725	15,221		826,946	
Total Current Assets	\$3,161,314	\$281,038	\$102,814	\$3,545,166	\$126,110
<i>Noncurrent Assets:</i>					
Restricted Cash and Cash Equivalents	\$6,468,690			\$6,468,690	
<i>Capital Assets:</i>					
Land, Improvements, and Construction in Progress	178,947	\$158,434		337,381	
Other Capital Assets, Net of Depreciation	39,033,553	134,854	\$312,753	39,481,160	
Total Capital Assets	\$39,212,500	\$293,288	\$312,753	\$39,818,541	\$0
Total Noncurrent Assets	\$45,681,190	\$293,288	\$312,753	\$46,287,231	\$0
TOTAL ASSETS	\$48,842,504	\$574,326	\$415,567	\$49,832,397	\$126,110
LIABILITIES AND NET ASSETS					
<i>Liabilities:</i>					
<i>Current Liabilities:</i>					
Accounts Payable and Accrued Liabilities	\$659,790	\$14,560	\$6,212	\$680,562	\$106,581
Due to Other Funds	918,080	90,767	58,759	1,067,606	
Accrued Interest Payable	66,790			66,790	
Customer Deposits	131,671			131,671	
Installment Purchase Contract Payable	476,917			476,917	
Clean Water Bond Loan Payable	172,232			172,232	
General Obligation Indebtedness	76,000			76,000	
DWSRF Revolving Loan	75,000			75,000	
Total Current Liabilities	\$2,576,480	\$105,327	\$64,971	\$2,746,778	\$106,581
<i>Noncurrent Liabilities:</i>					
Landfill Closure and Postclosure Care Costs		\$996,343		\$996,343	
Compensated Absences	\$37,498	15,358	\$24,811	77,667	
Other Postemployment Benefits	57,350	20,072	8,735	86,157	
Installment Purchase Contract Payable	1,238,499			1,238,499	
Clean Water Bond Loan Payable	1,722,324			1,722,324	
General Obligation Indebtedness	12,663,000			12,663,000	
DWSRF Revolving Loan	1,275,000			1,275,000	
Total Noncurrent Liabilities	\$16,993,671	\$1,031,773	\$33,546	\$18,058,990	\$0
TOTAL LIABILITIES	\$19,570,151	\$1,137,100	\$98,517	\$20,805,768	\$106,581
<i>Net Assets:</i>					
Invested in Capital Assets, Net of Related Debt	\$21,513,528	\$293,288	\$312,753	\$22,119,569	
Restricted for Alternative Water Supply	5,387,819			5,387,819	
Restricted for Capital Projects	907,078			907,078	
Restricted for USDA Loan Payments	84,128			84,128	
Unrestricted	1,379,800	(856,062)	4,297	528,035	\$19,529
Total Net Assets	\$29,272,353	(\$562,774)	\$317,050	\$29,026,629	\$19,529

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, 2012

	Enterprise Funds			Totals	Internal Service Fund
	Major Fund Utility	Major Fund Landfill	Non-major Fund Transportation		
OPERATING REVENUES:					
Water and Sewer Sales	\$1,781,064			\$1,781,064	
Water and Sewer Tap Fees and Service Charges	43,187			43,187	
Landfill Fees		\$897,494		897,494	
County Contributions					\$1,586,630
Other Operating Revenues	325,863		\$206,059	531,922	
Total Operating Revenues	\$2,150,114	\$897,494	\$206,059	\$3,253,667	\$1,586,630
OPERATING EXPENSES					
Salaries and Employee Benefits	\$495,156	\$194,026	\$312,313	\$1,001,495	
Supplies and Fuel	209,504	44,924	77,871	332,299	
Maintenance	115,662	110,748	27,113	253,523	
Contracted Services	138,049	313,894		451,943	
Professional Services	49,840	17,289		67,129	
Water Purchased	172,422			172,422	
Management Fee - County	25,000			25,000	
Utilities	143,528	13,991	1,891	159,410	
Sewer Charges - Town of Farmville	185,369			185,369	
Office Expense	55,243		11,993	67,236	
Insurance	21,724	7,531		29,255	
Telephone and Postage		5,058	2,409	7,467	
Miscellaneous	267	4,587	3,889	8,743	
Disposal Fees		133,256		133,256	
Capital Outlay (Under Threshold)	357			357	
Medical Claims					\$1,582,444
Depreciation	800,823	46,752	48,601	896,176	
Total Operating Expense	\$2,412,944	\$892,056	\$486,080	\$3,791,080	\$1,582,444
Operating Income (Loss)	(\$262,830)	\$5,438	(\$280,021)	(\$537,413)	\$4,186
NONOPERATING REVENUES (EXPENSES)					
Interest and Investment Revenue	\$3,762	\$50	\$37	\$3,849	\$187
Alternative Water Supply Fees - County	677,527			677,527	
Alternative Water Supply Fees - Towns & Districts	402,297			402,297	
Interest on Long-Term Debt	(625,492)			(625,492)	
Total Nonoperating Revenue (Expenses)	\$458,094	\$50	\$37	\$458,181	\$187
Income (Loss) Before Contributions and Transfers	\$195,264	\$5,488	(\$279,984)	(\$79,232)	\$4,373
Transfers (To) From Other Funds	278,202			278,202	
Capital Contributions	1,109,142		354,108	1,463,250	
Change in Net Assets	\$1,582,608	\$5,488	\$74,124	\$1,662,220	\$4,373
Total Net Assets, Beginning	27,689,745	(568,262)	242,926	27,364,409	15,156
Total Net Assets, Ending	\$29,272,353	(\$562,774)	\$317,050	\$29,026,629	\$19,529

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, 2012

	Enterprise Funds			Totals	Internal Service Fund
	Major Fund Utility	Major Fund Landfill	Non-major Fund Transportation		
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received From Customers	\$1,802,099	\$1,047,399	\$198,772	\$3,048,270	\$1,586,630
Cash Paid for Goods and Services	(1,073,184)	(677,762)	(125,935)	(1,876,881)	(1,527,641)
Cash Paid to Employees for Services	(474,406)	(187,005)	(307,359)	(968,770)	
Customer Deposits Received	28,340			28,340	
Customer Deposits Returned	(23,511)			(23,511)	
Other Operating Revenues	325,863			325,863	
Net Cash Provided (Used) by Operating Activities	\$585,201	\$182,632	(\$234,522)	\$533,311	\$58,989
CASH FLOWS PROVIDED BY NONCAPITAL FINANCING ACTIVITIES					
Increase in (Repayment of) Due to Other Funds	(\$113,000)	(\$2,613)		(\$115,613)	
Alternative Water Supply Fees	1,004,270			1,004,270	
Transfers (To) From Other Funds	278,202			278,202	
Net Cash Provided by Noncapital Financing Activities	\$1,169,472	(\$2,613)	\$0	\$1,166,859	\$0
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and Construction of Capital Assets	(\$575,138)	(\$54,500)	(\$158,812)	(\$788,450)	
Temporary Financing Issued	284,545			284,545	
Interest Paid On Indebtedness	(608,491)			(608,491)	
Principal Paid On Indebtedness	(781,991)			(781,991)	
Capital Contributions-State and Federal Grants	1,129,487		354,108	1,483,595	
Net Cash Provided by (Used by) Capital and Related Financing Activities	(\$551,588)	(\$54,500)	\$195,296	(\$410,792)	\$0
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on Investments	\$3,762	\$50	\$37	\$3,849	\$187
Net Increase (Decrease) in Cash and Cash Equivalents	\$1,206,847	\$125,569	(\$39,189)	\$1,293,227	\$59,176
Cash and Cash Equivalents, July 1	6,506,836	36,221	118,809	6,661,866	66,934
Cash and Cash Equivalents, June 30	\$7,713,683	\$161,790	\$79,620	\$7,955,093	\$126,110
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:					
Cash consists of the following:					
Unrestricted Cash and Cash Equivalents	\$1,160,865	\$161,790	\$79,620	\$1,402,275	\$126,110
Restricted Cash and Cash Equivalents - Customer Deposits	131,671			131,671	
Restricted Cash and Cash Equivalents - Alternative Water Supply	5,345,813			5,345,813	
Restricted Cash and Cash Equivalents - GUC Waterline Phase 1A	408,665			408,665	
Restricted Cash and Cash Equivalents - GUC Waterline Phase 1C	582,541			582,541	
Restricted Cash and Cash Equivalents - USDA Loan Payments	84,128			84,128	
Cash and Cash Equivalents, June 30	\$7,713,683	\$161,790	\$79,620	\$7,955,093	\$126,110

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, 2012

	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)	(\$262,830)	\$5,438	(\$280,021)	(\$537,413)	\$4,186
<i>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:</i>					
Depreciation	\$800,823	\$46,752	\$48,601	\$896,176	
<i>Changes in Assets and Liabilities:</i>					
Decrease (Increase) in Accounts Receivable	(12,152)	3,048		(9,104)	
Decrease (Increase) in Due From Other Governments	(10,000)	146,857	(7,287)	129,570	
Increase (Decrease) in Accounts Payable and Accrued Liabilities	43,782	(26,484)	(770)	16,528	\$54,803
Increase (Decrease) in Customer Deposits	4,829			4,829	
Increase (Decrease) in Compensated Absences Payable	4,583	1,786	2,584	8,953	
Increase (Decrease) in Other Postemployment Benefits	16,166	5,235	2,371	23,772	
Total Adjustments	\$848,031	\$177,194	\$45,499	\$1,070,724	\$54,803
Net Cash Provided by (Used by) Operating Activities	\$585,201	\$182,632	(\$234,522)	\$533,311	\$58,989

GREENE COUNTY, NORTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended June 30, 2012

	Agency Funds
<u>Assets</u>	
Cash and Cash Equivalents	\$166,841
Due From Other Governments	9,419
	\$176,260
<u>Liabilities and Net Assets</u>	
<i>Liabilities:</i>	
Intergovernmental Payable	\$176,260
Total Liabilities	\$176,260
<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 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	33 - 56
IV	RELATED ORGANIZATIONS	56
V	JOINT VENTURES	56 - 57
VI	JOINTLY GOVERNED ORGANIZATIONS	57
VII	BENEFIT PAYMENTS ISSUED BY THE STATE	57 - 58
VIII	SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES	58
IX	MAJOR ENTERPRISE CUSTOMER	58
X	CUTTER CREEK	58
XI	SPECIAL ITEM	58

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of 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, 2012

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

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

Intermediate School Capital Project Fund – This fund is used to account for the construction of the new Intermediate School.

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:

Debt Service Funds – The governmental Debt Service Fund and the Utility Debt Reserve Fund are used to account for moneys restricted by USDA loan covenants for future debt payments.

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 Funds, the Property Revaluation Fund, the Emergency Telephone System Fund, the April 2011 Tornado Fund, the 2009 Community Development Block Grant Project Fund, and the Hurricane Irene Fund are reported as non-major special revenue funds.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

The School Capital Finance Fund, the American Prawn Cooperative Project Fund and the Courthouse Renovations Project Fund are reported as capital project funds.

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 2011 through February 2012 apply to the fiscal year ended June 30, 2012. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

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 April 2011 Tornado Fund, the Hurricane Irene 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 Courthouse Renovations 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 \$403,337 due to budget amendments. In the Special Revenue Funds, revenues and expenditures were increased \$191,629 due to budget amendments. In the Enterprise Funds, revenues and expenditures were increased \$1,427,447. 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).

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

The County and the ABC Board's investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

2. Use of Estimates

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

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 \$5,345,813 in the Utility Alternative Water Supply 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 \$907,078 in unexpended Water Construction Project funds that is restricted to the purpose for which it was borrowed or received. Customer deposits in the amount of \$131,671 held by the county before any services are supplied are restricted to the service for which the deposit was collected. Money in the Tax Revaluation Fund in the amount of \$106,759 is classified as restricted assets because its use is restricted per NC G.S. 153-A-150. Money in the School Capital Projects Fund in the amount of \$881 is classified as restricted assets because its use is restricted per NC G.S. 159-18 through 22. Money in the amounts of \$172,800 for Governmental Activities and \$84,128 for Business-type Activities are restricted for principal payments on loans with USDA that require reserves to be set aside.

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, 2011. 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.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

8. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Minimum capitalization costs are as follows: land, \$1; Buildings, improvements, substations, lines and other plant and distribution systems, \$5,000; infrastructure, \$5,000; furniture and equipment, \$5,000; vehicles, \$5,000; and Computer Equipment and Software, \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

11. Net Assets/Fund Balances

Net Assets

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

Fund Balances

In the governmental fund financial statements, 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.

Restricted for USDA Loan Payments – portion of fund balance that is restricted by debt covenants with USDA for future payments on Long-term Debt.

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.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

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.

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 \$7,141,399 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)	\$34,458,159
Less Accumulated Depreciation	<u>5,580,668</u>
Net Capital Assets	\$28,877,491
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	107,892
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide statements	
Taxes	536,515
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	(20,627,918)
Compensated absences	(411,646)
Net pension obligation for law enforcement officers' special separation allowance	(157,237)
Net other postemployment benefits	(863,203)
Accrued interest payable	(340,024)
Net gain of internal service fund determined to be governmental-type	19,529
Total Adjustment	<u>\$7,141,399</u>

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

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 \$2,335,948 as follows:

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$11,278,106
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	(480,571)
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	(9,527,167)
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	166,268
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)	57,655
Net book value of assets sold	(7,035)
Value of Land Donated by County	(21,941)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(6,768)
Net pension obligation is accrued in the government-wide statements but not the fund statements because it does not use current resources	(20,909)
Net other postemployment benefits obligation is accrued in the government-wide statements but not the fund statements because it does not use current resources	(173,046)
Net gain of internal service fund determined to be governmental- type	4,373
Special Item - Greene County Library Donated Asset	1,026,447
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 7/01/11	(506,422)
Recording of tax receipts deferred in the fund statements as of 6/30/12	536,515
Increase in accrued interest on taxes receivable for year ended 6/30/12	10,443
Total Adjustment	\$2,335,948

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, 2012

B. DEFICIT FUND BALANCE OR NET ASSETS OF INDIVIDUAL FUNDS

1. The Intermediate School Capital Project Fund and the Courthouse Renovations Capital Project Fund have deficit fund balances of (\$2,048,038) and (\$410,889), respectively, as of June 30, 2012 due to timing of loan draws in relation to project expenditures. Loan draws usually come in after expenditures have been incurred. The County does not anticipate having a deficit fund balance in these funds at the completion of the projects.
2. The Enterprise Fund net assets consist of the following individual fund net asset balances:

Utility Fund	\$29,188,225
Landfill Fund	(562,774) *
Transportation Fund	317,050
	\$28,942,501

* Effective July 1, 2009, the County 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, 2012, the County's expenditures have exceeded amounts budgeted in the following funds and departments:

	Final Budget	Actual	Over Budget
<u>Utility Fund</u>			
Debt Service	\$1,198,084	\$1,202,786	(\$4,702)
Alternative Water Supply Fund (Operating Transfer Out)	\$470,000	\$677,527	(\$207,527)
<u>Utility Alternative Water Supply Capital Reserve Fund</u>			
Debt Service - Phase 1C Interest Payments	\$187,696	\$207,489	(\$19,793)

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

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. ASSETS

1. Deposits

All of the County's and the ABC Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's or the ABC Board's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the ABC Board, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for 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.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

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, 2012, the County's deposits had a carrying amount of \$3,692,245 and a bank balance of \$3,805,914. Of the bank balance, \$2,658,037 was covered by federal depository insurance and \$1,147,877 was covered by collateral held under the Pooling Method.

At June 30, 2012, Greene County had \$1,923 cash on hand.

At June 30, 2012, the carrying amount of deposits for Greene County ABC Board was \$153,658 and the bank balance was \$151,528. Of this balance, \$151,528 was covered by federal depository insurance and no balance was maintained in financial institutions utilizing the Pooling Method of collateralization.

At June 30, 2012, the ABC Board had \$600 cash on hand.

2. Investments

At June 30, 2012, the County's investment balances were as follows:

	<u>Reported Value</u>	<u>Fair Value</u>
NC Capital Management Trust - General Account	\$5,987,110	\$5,987,110
NC Capital Management Trust - Alternative Water Project Phase 1A	1,084,147	1,084,147
Total Investments	\$7,071,257	\$7,071,257

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, 2012, the ABC Board had no investments in the North Carolina Capital Management Trust.

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>
2008	\$447,020	\$146,399	\$593,419
2009	458,172	108,816	566,988
2010	460,087	67,863	527,950
2011	462,349	26,585	488,934
Total	\$1,827,628	\$349,663	\$2,177,291

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

4. Receivables

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

	Accounts	Taxes and Related Accrued Interest	Due From Other Governments	Total
Governmental Activities:				
General	\$608,195	\$785,804	\$974,490	\$2,368,489
Other Governmental	19,120	51,616	278,483	349,219
Total Receivables	\$627,315	\$837,420	\$1,252,973	\$2,717,708
Allowance for Doubtful Accounts	(185,000)	(193,011)		(378,011)
Total Governmental Activities	\$442,315	\$644,409	\$1,252,973	\$2,339,697
Business-type Activities:				
Utility Fund	\$618,700		\$567,896	\$1,186,596
Landfill Fund	7,665	\$77,927	54,435	140,027
Nonmajor Enterprise Activities			23,194	23,194
Total Receivables	\$626,365	\$77,927	\$645,525	\$1,349,817
Allowance for Doubtful Accounts	(82,000)	(36,000)		(118,000)
Total Business-type Activities	\$544,365	\$41,927	\$645,525	\$1,231,817

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

Local Option Sales Tax	\$356,581
Sales Tax	345,754
Various Human Service Revenues	526,290
SBOE Primary Grant	4,647
Soil and Water Technical Assistance	19,701
Total General Fund	\$1,252,973
Scrap Tire Tax	\$6,658
White Goods	1,686
Solid Waste	3,604
Town of Snow Hill - Hurricane Irene Debris	38,067
Town of Snow Hill - Landfill Fees	1,237
Town of Hookerton - Landfill Fees	78
Transportation Grants	22,704
Alternative Water Supply Fees	42,006
Joint Deposit - Town of Farmville	10,000
Sales Tax	32,795
DWSRF Funds	486,690
Total Enterprise Fund	\$645,525
Total Due	\$1,898,498

5. Notes Receivable

The County has six 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% and was paid off on March 9, 2012.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

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% and was paid off on March 30, 2012.

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%.

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 June 30, 2011, Vandiford's had made only one payment. Notice had been given to Vandiford's to bring the loan current by January 1, 2011. If the loan was 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 for June 30, 2012.

The sixth loan was made on April 9, 2012 to Ribeye's Steakhouse for \$50,000. Ribeye's is a local restaurant that intends to use the funds to relocate to the former Vandiford's Country Kitchen building. The terms of the loan call for 20 quarterly payments of \$2,793 for 5 years, including interest at 4.5%.

The following summarizes the expected collection on these notes:

Principal Amounts Due For the Year Ended June 30,	NWL Capacitators	Moore's Fiberglass	Vandiford's	Ribeye's	Total
2013	16,753	\$21,201	\$78,014	\$9,185	\$125,153
2014	17,433	22,227	17,236	9,606	66,502
2015	18,141	17,373		10,045	45,559
2016	18,878			10,505	29,383
2017	19,644			8,193	27,837
2018-2020	52,670				52,670
	\$143,519	\$60,801	\$95,250	\$47,534	\$347,104

THIS SPACE INTENTIONALLY LEFT BLANK

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

6. Capital Assets

Primary Government

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$650,923		\$21,941	\$628,982
Construction in Progress	1,999,246	\$11,059,173	231,200	12,827,219
Total Capital Assets Not Being Depreciated	\$2,650,169	\$11,059,173	\$253,141	\$13,456,201
Capital Assets Being Depreciated:				
Buildings & Land Improvements	\$16,867,913	\$1,257,647		\$18,125,560
Vehicles	1,167,695	75,100	\$28,720	1,214,075
Equipment	1,547,767	143,833	29,277	1,662,323
Total Capital Assets Being Depreciated	\$19,583,375	\$1,476,580	\$57,997	\$21,001,958
<i>Less Accumulated Depreciation for:</i>				
Buildings & Land Improvements	\$2,854,753	\$355,240		\$3,209,993
Vehicles	956,729	67,366	\$21,685	1,002,410
Equipment	1,339,577	57,965	29,277	1,368,265
Total Accumulated Depreciation	\$5,151,059	\$480,571	\$50,962	\$5,580,668
<i>Total Capital Assets Being Depreciated, Net</i>	14,432,316			15,421,290
Governmental Activity Capital Assets, Net	\$17,082,485			\$28,877,491

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

General Government	\$296,844
Public Safety	95,195
Human Services	16,195
Cultural and Recreational	72,337
Total Depreciation Expense	\$480,571

THIS SPACE INTENTIONALLY LEFT BLANK

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

<i>Business Type Activities:</i>	Beginning			Ending
Greene County Utility Fund:	Balances	Increases	Decreases	Balances
Capital Assets Not Being Depreciated:				
Land	\$169,768	\$9,180		\$178,948
Construction In Progress	13,703,156	1,072,152	\$14,775,308	
<i>Total Capital Assets Not Being Depreciated</i>	<u>\$13,872,924</u>	<u>\$1,081,332</u>	<u>\$14,775,308</u>	<u>\$178,948</u>
Capital Assets Being Depreciated:				
Transfer Distribution Systems	\$30,596,840	\$14,775,308		\$45,372,148
Equipment	228,078			228,078
Vehicles	231,159	15,794		246,953
Total Capital Assets Being Depreciated	<u>\$31,056,077</u>	<u>\$14,791,102</u>	<u>\$0</u>	<u>\$45,847,179</u>
Less Accumulated Depreciation for:				
Transfer Distribution Systems	\$5,621,257	\$780,649		\$6,401,906
Equipment	179,269	10,827		190,096
Vehicles	212,278	9,347		221,625
Total Accumulated Depreciation	<u>\$6,012,804</u>	<u>\$800,823</u>	<u>\$0</u>	<u>\$6,813,627</u>
<i>Total Capital Assets Being Depreciated, Net</i>	25,043,273			39,033,552
Greene County Utility Fund Capital Assets, Net	<u>\$38,916,197</u>			<u>\$39,212,500</u>
Greene County Landfill Fund:				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$158,434			\$158,434
<i>Total Capital Assets Not Being Depreciated</i>	<u>\$158,434</u>	<u>\$0</u>	<u>\$0</u>	<u>\$158,434</u>
Capital Assets Being Depreciated:				
Buildings	\$108,102			\$108,102
Vehicles	279,245			279,245
Equipment	492,490	\$54,500		546,990
Total Capital Assets Being Depreciated	<u>\$879,837</u>	<u>\$54,500</u>	<u>\$0</u>	<u>\$934,337</u>
Less Accumulated Depreciation for:				
Buildings	\$106,300	\$1,022		\$107,322
Vehicles	209,909	20,066		229,975
Equipment	436,522	25,664		462,186
Total Accumulated Depreciation	<u>\$752,731</u>	<u>\$46,752</u>	<u>\$0</u>	<u>\$799,483</u>
<i>Total Capital Assets Being Depreciated, Net</i>	127,106			134,854
Greene County Landfill Capital Assets, Net	<u>\$285,540</u>			<u>\$293,288</u>
Greene County Transportation Fund:				
Capital Assets Being Depreciated:				
Buildings	\$169,900			\$169,900
Vehicles	334,905	\$158,812	\$87,549	406,168
Equipment	11,466			11,466
Total Capital Assets Being Depreciated	<u>\$516,271</u>	<u>\$158,812</u>	<u>\$87,549</u>	<u>\$587,534</u>
Less Accumulated Depreciation for:				
Buildings	\$34,223	\$8,495		\$42,718
Vehicles	268,041	40,106	\$87,549	220,598
Equipment	11,465			11,465
Total Accumulated Depreciation	<u>\$313,729</u>	<u>\$48,601</u>	<u>\$87,549</u>	<u>\$274,781</u>
<i>Total Capital Assets Being Depreciated, Net</i>	202,542			312,753
Greene County Transportation Fund Capital Assets, Net	<u>\$202,542</u>			<u>\$312,753</u>
Business-type Activities Capital Assets, Net	<u>\$39,404,279</u>			<u>\$39,818,541</u>

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

Construction Commitments

The government has active construction projects as of June 30, 2012. The projects include the Intermediate School project and the Alternative Water Phase 1C, and 1F projects. At June 30, 2012, the Government's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Intermediate School	\$11,802,312	\$1,398,000
Courthouse Renovations	570,086	209,000
Alternative Water Phase 1C	11,748,695	774,000
Alternative Water Phase 1F	3,026,614	90,000
Total	\$27,147,707	\$2,471,000

Discretely Presented Component Unit

Activity for the ABC Board for the year ended June 30, 2012 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	\$3,000		51,917
Total Capital Assets Being Depreciated	\$98,859	\$3,000	\$0	\$101,859
Less Accumulated Depreciation for:				
Buildings	\$49,942			\$49,942
Equipment	35,402	\$2,894		38,296
Total Accumulated Depreciation	\$85,344	\$2,894	\$0	\$88,238
Total Capital Assets Being Depreciated, Net	13,515			13,621
Total Capital Assets Being Depreciated, Net	\$25,570			\$25,676

B. LIABILITIES

1. Payables

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

	Vendors	Accrued Interest	Other	Total
Governmental Activities:				
General	\$587,039	\$340,024		\$927,063
Other Governmental	2,443,433			2,443,433
Total Governmental Activities	\$3,030,472	\$340,024	\$0	\$3,370,496
Business-type Activities:				
Utility Fund	\$659,790	\$66,790		\$726,580
Landfill Fund	14,560			14,560
Nonmajor Enterprise Activities	6,212			6,212
Total Business-type Activities	\$680,562	\$66,790	\$0	\$747,352

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

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 7.02% and 7.05%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 6.94% 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, 2012, 2011, and 2010 were \$371,176, \$390,020, and \$286,853, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2012, 2011, and 2010 were \$1,426, \$1,248, and \$934, 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, 2011, the Separation Allowance's membership consisted of:

Retirees Receiving Benefits	0
Terminated Plan Members Entitled but not yet Receiving Benefits	0
Active Plan Members	28
Total	<u>28</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, 2012

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, 2011 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.25% 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, 2011 was 19 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	\$22,226
Interest on Net Pension Obligation	6,816
Adjustment to Annual Required Contribution	(8,133)
	\$20,909
Annual Pension Cost	\$20,909
Contributions Made	\$20,909
Increase (Decrease) in Net Pension Obligation	\$20,909
<i>Net Pension Obligation - Beginning of Year</i>	136,328
Net Pension Obligation - End of Year	\$157,237

3 YEAR TREND INFORMATION

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contribution	Net Pension Obligation
6/30/10	\$14,230	0.00%	\$116,082
6/30/11	\$20,246	0.00%	\$136,328
6/30/12	\$20,909	0.00%	\$157,237

4. *Funded Status and Funding Progress*

As of December 31, 2011, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$145,568 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$145,568. The covered payroll (annual payroll of active employees covered by the plan) was \$812,285, and the ratio of the UAAL to the covered payroll was 17.92 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, 2012

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, 2012 were \$98,082, which consisted of \$52,978 from the County and \$45,104 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, 2012, 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, 2012

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 \$111,114 or 1.84% 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	\$306,587
Interest on OPEB Obligation	30,101
Adjustment to Annual Required Contribution	(28,756)
Annual OPEB Cost (expense)	\$307,932
Contributions Made	(111,114)
Increase (Decrease) in Net OPEB Obligation	\$196,818
<i>Net OPEB Obligation - Beginning of Year</i>	<i>752,542</i>
Net OPEB Obligation - End of Year	\$949,360

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 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>
6/30/10	273,391	11.13%	483,648
6/30/11	328,830	18.23%	752,542
6/30/12	307,932	36.08%	949,360

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, 2012

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, 2012 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	\$536,515	
Taxes Receivable (Net) - Fire Districts	52,172	
Prepaid Regular Property Taxes Not Yet Earned		\$30,356
Prepaid Vehicle Property Taxes Not Yet Earned		46,027
Agricultural Center Grant		26,970
Total Governmental Activities	\$588,687	\$103,353

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, 2012

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, 2012, 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>
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	14,611	5,389	20,000
2018-2022	90,721	14,937	105,658
	\$157,002	\$48,656	\$205,658

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

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, 2012 balance was paid in full.

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, 2012 balance was paid in full.

The third 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, 2012 balance was \$136,225.

The fourth 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, 2012 balance was \$54,616.

The fifth 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, 2012 balance was \$42,102.

The sixth loan was drawn down on March 28, 2012 in the amount of \$50,000. 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 \$2,736, beginning on June 1, 2012 and ending on March 1, 2017. The obligation carries interest at 3.50% and the June 30, 2012 balance was \$47,537.

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>
2013	\$68,113	\$9,046	\$77,159
2014	70,582	6,529	77,111
2015	39,909	4,353	44,262
2016	29,253	3,185	32,438
2017	27,358	2,149	29,507
2018-2020	45,264	1,944	47,208
	\$280,479	\$27,206	\$307,685

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

c. Installment Purchase Contracts

Industrial Park:

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, 2012 was \$241,224.

<u>During the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	35,034	4,398	39,432
2018-2020	79,596	4,432	84,028
	\$241,224	\$39,964	\$281,188

Ambulance:

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. The contract was paid in full on March 15, 2012.

Jail Construction:

On December 9, 2010, the County refinanced \$10,500,000 interim financing for the Jail Construction with three loans from 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, 2012 were \$7,285,937, \$2,419,875, and \$489,125, respectively. During the refinancing process, \$771,686 went from Greene County back to the USDA. These funds were subsequently available for drawdown on the 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>
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	106,123	267,431	373,554
2018-2022	593,377	1,274,393	1,867,770
2023-2027	713,298	1,154,472	1,867,770
2028-2032	857,455	1,010,315	1,867,770
2033-2037	1,030,746	837,024	1,867,770
2038-2042	1,239,061	628,709	1,867,770
2043-2047	1,489,474	378,296	1,867,770
2048-2051	868,908	88,658	957,566
	\$7,285,937	\$6,736,019	\$14,021,956

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

Loan 2:

<u>During the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	32,833	86,250	119,083
2018-2022	183,586	411,829	595,415
2023-2027	220,689	374,726	595,415
2028-2032	265,290	330,125	595,415
2033-2037	318,904	276,511	595,415
2038-2042	383,356	212,059	595,415
2043-2047	460,832	134,583	595,415
2048-2051	434,497	41,464	475,961
	\$2,419,875	\$2,223,991	\$4,643,866

Loan 3:

<u>During the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	6,637	17,433	24,070
2018-2022	37,107	83,243	120,350
2023-2027	44,606	75,744	120,350
2028-2032	53,623	66,727	120,350
2033-2037	64,459	55,891	120,350
2038-2042	77,487	42,863	120,350
2043-2047	93,148	27,202	120,350
2048-2051	87,825	8,380	96,205
	\$489,125	\$449,530	\$938,655

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, 2012 the County had drawn only \$2,754,275 of principal funds.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

Loan 1:

<u>During the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$69,395	\$267,667	\$337,062
2014	75,838	261,224	337,062
2015	78,871	258,191	337,062
2016	82,026	255,036	337,062
2017	85,307	251,755	337,062
2018-2022	480,534	1,204,776	1,685,310
2023-2027	584,642	1,100,668	1,685,310
2028-2032	711,307	974,003	1,685,310
2033-2036	586,355	669,751	1,256,106
	\$2,754,275	\$5,243,071	\$7,997,346

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, 2012 the County had drawn \$7,000,000 of principal funds.

Loan 2:

<u>During the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$73,601	\$283,889	\$357,490
2014	80,434	277,056	357,490
2015	83,651	273,839	357,490
2016	86,997	270,493	357,490
2017	90,477	267,013	357,490
2018-2022	509,657	1,277,793	1,787,450
2023-2027	620,075	1,167,375	1,787,450
2028-2032	754,417	1,033,033	1,787,450
2033-2037	917,863	869,587	1,787,450
2038-2042	1,116,721	670,729	1,787,450
2043-2047	1,358,661	428,789	1,787,450
2048-2052	1,307,446	134,429	1,441,875
	\$7,000,000	\$6,954,025	\$13,954,025

(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 of 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>
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	209,815	22,185	232,000
2018-2019	443,362	20,637	463,999
	\$1,419,764	\$204,235	\$1,623,999

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

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>
2013	\$295,650	\$7,671	\$303,321
	\$295,650	\$7,671	\$303,321

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, 2012, the balance was \$1,894,556.

<u>During the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	172,232	67,308	239,540
2018-2022	861,160	210,339	1,071,499
2023	172,236	16,827	189,063
	\$1,894,556	\$647,844	\$2,542,400

e. Revenue Bonds

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, \$6,202,000 of these bonds were issued and the interim financing was satisfied. On August 30, 2011, the remaining \$6,537,000 was issued and the interim financing was satisfied. The revenue 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 revenue bonds payable at June 30, 2012 are comprised of the following individual issues by series:

THIS SPACE INTENTIONALLY LEFT BLANK

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

Serviced by the County's Utility Fund:

\$4,202,000 Water Revenue Bonds Series 2010A issued August 30, 2010; due in annual installments through June 1, 2050; interest at 4.00%.	\$4,202,000
\$2,000,000 Water Revenue Bonds Series 2010B issued August 30, 2010; due in annual installments through June 1, 2050; interest at 4.00%.	2,000,000
\$3,800,000 Water Revenue Bonds Series 2011A issued August 30, 2011; due in annual installments through June 1, 2050; interest at 4.125%.	3,800,000
\$2,737,000 Water Revenue Bonds Series 2011B issued August 30, 2011; due in annual installments through June 1, 2050; interest at 3.375%.	2,737,000
Total	\$12,739,000

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

2010 Series:

During the Year Ending June 30,	Principal	Interest	Total
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	88,000	221,055	309,055
2018-2022	492,000	1,053,432	1,545,432
2023-2027	592,000	954,138	1,546,138
2028-2032	713,000	834,417	1,547,417
2033-2037	856,000	690,228	1,546,228
2038-2042	1,029,000	516,792	1,545,792
2043-2047	1,242,000	307,943	1,549,943
2048-2051	868,000	66,257	934,257
	\$6,202,000	\$5,559,107	\$11,761,107

2011 Series:

During the Year Ending June 30,	Principal	Interest	Total
2013		\$249,124	\$249,124
2014	\$80,000	249,124	329,124
2015	83,000	246,101	329,101
2016	86,000	242,963	328,963
2017	89,000	239,707	328,707
2018-2022	499,000	1,145,205	1,644,205
2023-2027	599,000	1,043,419	1,642,419
2028-2032	722,000	920,603	1,642,603
2033-2037	872,000	772,185	1,644,185
2038-2042	1,051,000	592,950	1,643,950
2043-2047	1,264,000	376,478	1,640,478
2048-2051	1,192,000	116,185	1,308,185
	\$6,537,000	\$6,194,044	\$12,731,044

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

The County has been in compliance with the covenants as to rates, fees, rentals and charges in Section 5 of the Bond Order, authorizing the issuance of the Water Revenue Bonds, Series 2010A, 2010B, 2011A and 2011B. Section 5.01 of the Bond Order requires the debt service coverage ratio to be no less than 110%. The debt service coverage ratio calculation for the year ended June 30, 2012, is as follows:

Operating Revenues	\$2,150,114
Operating Expenses	2,412,944
Operating Income	<u>(262,830)</u>
Nonoperating Revenues (Expenses)	458,094
Capital Contributions & Transfers In	1,387,344
Income Available for Debt Service	<u>1,582,608</u>
Debt Service, Principal and Interest Paid (Revenue Bonds Only)	\$558,204
Debt Service Coverage Ratio	284%

f. 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, 2012. 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, 2012, the total payable was \$1,425,000. One principal payment of \$75,000 was paid during the year, leaving a balance of \$1,350,000 at June 30, 2012.

<u>During the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$75,000		\$75,000
2014	75,000		75,000
2015	75,000		75,000
2016	75,000		75,000
2017	75,000		75,000
2018-2022	375,000		375,000
2023-2027	375,000		375,000
2028-2030	225,000		225,000
	<u>\$1,350,000</u>	<u>\$0</u>	<u>\$1,350,000</u>

THIS SPACE INTENTIONALLY LEFT BLANK

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

g. 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, 2012:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Governmental Activities:					
Notes Payable	\$168,387		\$11,385	\$157,002	\$11,967
Global Transpark Development Zone Loans	327,223	\$50,000	96,744	280,479	68,113
Installment Purchase Contracts	10,771,408	9,477,169	58,140	20,190,437	298,380
Net Pension Obligation	136,328	20,909		157,237	
OPEB Obligation	690,157	284,160	111,114	863,203	
Compensated Absences	404,878	335,493	328,725	411,646	
Total Governmental Activities	<u>\$12,498,381</u>	<u>\$10,167,731</u>	<u>\$606,108</u>	<u>\$22,060,004</u>	<u>\$378,460</u>
Business-type Activities:					
Installment Purchase Contract	\$2,250,174		\$534,758	\$1,715,416	\$476,917
Clean Water Bond Loan	2,066,788		172,232	1,894,556	172,232
Bond Anticipation Notes	6,537,000		6,537,000		
Revenue Bonds	6,202,000	\$6,537,000		12,739,000	76,000
DWSRF Revolving Loan	1,140,455	284,545	75,000	1,350,000	75,000
Accrued Landfill Closure and Postclosure Costs	996,343			996,343	
OPEB Obligation	62,385	23,772		86,157	
Compensated Absences	68,715	48,228	39,276	77,667	
Total Business-type Activities	<u>\$19,323,860</u>	<u>\$6,893,545</u>	<u>\$7,358,266</u>	<u>\$18,859,139</u>	<u>\$800,149</u>

Debt Related to Capital Activities – Of the total Governmental Activities debt listed only \$20,347,438 relates to assets the County holds title. Restricted cash related to this debt amounts to \$172,800.

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.

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, 2012 were as follows:

Fiscal Year Ending June 30,	
<u>2013</u>	<u>\$19,195</u>
Total Minimum Future Payments Required	<u>\$19,195</u>

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

C. INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances at June 30, 2012 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund		
	Utility Fund	\$255,880
Landfill Fund		
	General Fund	(15,220)
		\$240,660

Operating and equity transfers to and from funds for the year ended June 30, 2012 are as follows:

Operating Transfers From/To Other Funds	TRANSFERS	
	FROM	TO
<i>General Fund</i>		
Capital Projects Fund - Cutter Creek		\$278,202
<i>Enterprise Fund</i>		
Cutter Creek	\$278,202	
Total Operating Transfers - Other Funds	\$278,202	\$278,202

D. PRIOR PERIOD ADJUSTMENT

In the April 2011 Tornado Special Revenue Fund, an accounts receivable in the amount of \$243,248 was booked as of June 30, 2011. This amount represented anticipated revenue from FEMA to be received during the June 30, 2012 fiscal year. The actual amount received was \$41,555. No other FEMA funds are expected to be received. As a result, the difference of (\$201,693) represents an overstatement of net assets from the prior year.

The following shows the effect of this prior period adjustment both on the governmental activities and the April 2011 Tornado Special Revenue Fund:

	Governmental Activities	April 2011 Tornado Special Revenue Fund
	Unrestricted Net Assets	Unrestricted Net Assets
Net Assets at beginning of year, as originally stated	\$9,730,437	\$278,219
Prior Period Adjustment	(201,693)	(201,693)
Net Assets at beginning of year, as restated	\$9,528,744	\$76,526

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

E. 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	\$3,473,053
Less:	
Stabilization by State Statute	2,355,100
Register of Deeds	39,410
Health Department	452,462
Sheriff Department	35,447
Capital Outlay	142,066
Remaining Fund Balance	\$448,568

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, 2012, and the Authority is not considered in determining the County's legal debt limit.

V. JOINT VENTURES

The County participates in a joint venture with Lenoir and 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, 2012. During the year ended June 30, 2012, 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, 2012. The County appropriated \$66,618 to the Center during the fiscal year ended June 30, 2012 which included \$0 received from the ABC Board designated for alcohol education. All Mental Health appropriations were suspended for the 2011-2012 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.

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

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, 2012. 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, 2012. 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 \$6,833 during the fiscal year ended June 30, 2012.

Global TransPark Development Commission

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

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

The Commission is responsible for a nonexpendable trust fund consisting of an initial State appropriation of \$7.5 million and 85% of the quarterly distributions of the \$5 motor vehicle license fees collected by the North Carolina Department of Transportation. The motor vehicle tax was adopted by the legislature and the participating counties and was collected for a period of five years. The principal balance of the trust funds are nonexpendable and will revolve as loans are made and repaid to the Commission. At June 30, 2012, the portion of the trust available to be loaned exclusively to Greene County was \$583,284, calculated as follows:

Total Allocations for Loans	\$863,765
Loans Drawn Down	(1,535,000)
Principal Payments	1,254,519
Funds Available	<u>\$583,284</u>

VII. BENEFIT PAYMENTS ISSUED BY THE STATE

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

GREENE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

	Federal	State
Medicaid	\$18,765,447	\$10,996,132
Food Stamp Program	7,103,061	
Women, Infants and Children	400,021	
Temporary Assistance For Needy Families	206,577	
Other Programs	159,404	27,267
Total	\$26,634,510	\$11,023,399

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 45.32% of total billings.

X. CUTTER CREEK

On March 5, 2008, the County entered into an Infrastructure Financing Agreement with Mill Run Development Group, LLC. Mill Run Development Group, LLC is the entity that has been formed to own, develop and sell real property in the 400 plus acre development in Greene County known as the Cutter Creek Plantation Subdivision. The terms of the agreement state that the County will provide financing to construct the wastewater infrastructure required to convey wastewater from Cutter Creek to the City of Kinston's wastewater system. The County has undertaken this construction in anticipation that the County will collect sufficient additional ad valorem tax revenues from the development of Cutter Creek to amortize the project financing in full on or before December 31, 2013. Under the agreement, Mill Run Development Group, LLC placed \$1,425,000 with a third party Escrow Agent representing the principal of the financed amount plus one year's interest associated with the debt. The County may draw up to the full amount of the Escrow Fund in the event the tax revenues generated from Cutter Creek do not fulfill the obligation of the debt instrument. As of report date, \$1,157,053 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 ITEM – DONATED ASSET

The Neuse Regional Library (NRL) completed a capital project for the new Greene County Library Addition during the year. The project activity has been reported as a capital project in the financial statements of NRL. The asset, which was donated to the County, is to be kept on the County's books and shall be depreciated over a fifty year life. The value of this asset is \$1,026,447 with an in service date of June 30, 2012.

This item is reflected on the government-wide statements as a special item because it is unusual in nature but under the control of management. As a result, a gain of \$1,026,447 is recognized.

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, 2012

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%
12/31/2011	\$0	\$145,568	\$145,568	0.00%	\$812,285	17.92%

GREENE COUNTY, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
SCHEDULE OF EMPLOYER CONTRIBUTIONS
June 30, 2012

<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%
2012	\$22,226	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	12/31/11
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent of Pay Closed
Remaining Amortization Period	19 Years
Asset Valuation Method	Market Value
<i>Actuarial Assumptions:</i>	
Investment Rate of Return*	5.00%
Projected Salary Increases*	4.25% 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, 2012

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%
12/31/2011	\$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, 2012

<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%
2012	306,587	36.08%

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, 2012**

	<u>Budget</u>	<u>2012 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Ad Valorem Taxes:			
Taxes	\$7,893,553	\$7,683,177	(\$210,376)
Penalties and Interest	137,000	164,248	27,248
Total Ad Valorem Taxes	\$8,030,553	\$7,847,425	(\$183,128)
Local Option Sales Taxes:			
Article 39 and 44	\$635,000	\$599,647	(\$35,353)
Article 40	978,572	1,084,310	105,738
Article 42	406,440	399,955	(6,485)
Total Local Option Sales Taxes	\$2,020,012	\$2,083,912	\$63,900
Other Taxes and Licenses:			
Real Estate Transfer Tax	\$77,000	\$32,263	(\$44,737)
Privilege Licenses	1,000	375	(625)
Total Other Taxes and Licenses	\$78,000	\$32,638	(\$45,362)
Unrestricted Intergovernmental Revenue:			
Beer & Wine Tax	\$83,000	\$82,585	(\$415)
Restricted Intergovernmental Revenue:			
State and Federal Grants	\$5,243,671	\$4,286,214	(\$957,457)
GTP Loans & Loan Repayments	253,892	60,853	(193,039)
Controlled Substance Tax	5,000	384	(4,616)
Court Facility Fees	42,000	29,469	(12,531)
ABC - 5 cent Bottle Tax	1,800	2,731	931
Inmate Fees & Reimbursements	501,875	223,132	(278,743)
Board of Education SRO Reimbursements	62,601	63,200	599
Total Restricted Intergovernmental Revenue	\$6,110,839	\$4,665,983	(\$1,444,856)
Permits and Fees:			
Building Inspection Fees	\$85,000	\$107,195	\$22,195
Concealed Weapon Fees & Gun Permits	12,000	7,350	(4,650)
Register of Deeds	65,000	62,151	(2,849)
Cable TV Fees	11,500	9,704	(1,796)
Building/Other Permits and Fees	77,400	44,435	(32,965)
Total Permits & Fees	\$250,900	\$230,835	(\$20,065)

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, 2012

	Budget	2012 Actual	Variance Favorable (Unfavorable)
Sales and Services:			
Jail and Officer Fees	\$83,400	\$98,108	\$14,708
Ambulance and EMS Fees	1,285,000	725,799	(559,201)
Recreation Fees	49,993	34,605	(15,388)
Senior Center Meals	4,380	2,742	(1,638)
Municipal Tax Collection Fee	13,200	3,283	(9,917)
Copier and Vending Machines	5,000	5,250	250
Rents	16,657	7,043	(9,614)
Total Sales & Services	\$1,457,630	\$876,830	(\$580,800)
Total Investment Earnings	\$60,300	\$1,056	(\$59,244)
Other Revenues:			
Gasoline Tax Refund	\$15,000	\$225	(\$14,775)
United Way Receipts - Senior Center	8,200	9,920	1,720
Sweet Potato Festival	65,313	46,219	(19,094)
Elaney Woods Project	478,340	20,000	(458,340)
Insurance Proceeds	18,718	18,718	
Miscellaneous	43,631	18,522	(25,109)
Total Other Revenues	\$629,202	\$113,604	(\$515,598)
TOTAL REVENUES	\$18,720,436	\$15,934,868	(\$2,785,568)
EXPENDITURES:			
General Government:			
Governing Body:			
Salaries & Employee Benefits	\$25,660	\$25,660	
Operating Expenses	56,308	55,110	\$1,198
Insurance Other Than Property	192,791	193,512	(721)
	\$274,759	\$274,282	\$477
Administration:			
Salaries and Employee Benefits	\$68,046	\$66,196	\$1,850
Operating Expenses	185,069	183,694	1,375
	\$253,115	\$249,890	\$3,225
Elections:			
Salaries & Employee Benefits	\$91,238	\$87,632	\$3,606
Operating Expenses	101,140	50,463	50,677
	\$192,378	\$138,095	\$54,283
Finance:			
Salaries & Employee Benefits	\$296,394	\$293,356	\$3,038
Operating Expenses	65,300	67,602	(2,302)
	\$361,694	\$360,958	\$736

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, 2012

	Budget	2012 Actual	Variance Favorable (Unfavorable)
Taxes:			
Salaries & Employee Benefits	\$327,691	\$325,144	\$2,547
Operating Expenses	154,051	147,280	6,771
Revaluation	113,800	103,173	10,627
	\$595,542	\$575,597	\$19,945
Register of Deeds:			
Salaries & Employee Benefits	\$141,319	\$139,958	\$1,361
Operating Expenses	84,598	65,719	18,879
	\$225,917	\$205,677	\$20,240
Public Buildings:			
Salaries & Employee Benefits	\$138,379	\$138,376	\$3
Operating Expenses	343,956	342,239	1,717
	\$482,335	\$480,615	\$1,720
Court Facilities:			
Operating Expenses	\$19,500	\$19,047	\$453
TOTAL GENERAL GOVERNMENT	\$2,405,240	\$2,304,161	\$101,079
Public Safety:			
Sheriff Department:			
Salaries & Employee Benefits	\$1,500,185	\$1,478,766	\$21,419
Operating Expenses	423,170	384,381	38,789
Capital Outlay	55,827	55,827	
	\$1,979,182	\$1,918,974	\$60,208
County Jail:			
Salaries & Employee Benefits	\$669,196	\$645,529	\$23,667
Operating Expenses	349,860	346,784	3,076
	\$1,019,056	\$992,313	\$26,743
Inspections:			
Salaries & Employee Benefits	\$158,553	\$157,580	\$973
Operating Expenses	18,525	16,850	1,675
	\$177,078	174,430	\$2,648
Emergency Management:			
Salaries & Employee Benefits	\$71,864	\$71,409	\$455
Operating Expenses	60,144	48,616	11,528
Aid to Fire Districts	58,000	58,000	
Greene County Firemen's Association	5,000	5,000	
Capital Outlay/Homeland Security Grant	11,252	11,252	
	\$206,260	\$194,277	\$11,983
Emergency Medical Services:			
Salaries & Employee Benefits	\$678,038	\$664,714	\$13,324
Operating Expenses	387,372	274,535	112,837
Aid to Rescue Districts	48,800	48,800	
Capital Outlay	5,000		5,000
	\$1,119,210	\$988,049	\$131,161

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, 2012

	Budget	2012 Actual	Variance Favorable (Unfavorable)
Medical Examiner:			
Operating Expenses	\$6,800	\$6,800	\$0
TOTAL PUBLIC SAFETY	\$4,507,586	\$4,274,843	\$232,743
Environmental Protection:			
Forest Fire Prevention:			
County Matching to State	\$54,220	\$46,206	\$8,014
TOTAL ENVIRONMENTAL PROTECTION	\$54,220	\$46,206	\$8,014
Economic & Physical Development:			
Agricultural Extension:			
Salaries & Employee Benefits	\$120,406	\$120,569	(\$163)
Operating Expenses	25,885	18,237	7,648
Capital Outlay/E.W. Project	478,340	454,689	23,651
	\$624,631	\$593,495	\$31,136
Soil Conservation Services:			
Salaries & Employee Benefits	\$107,400	\$106,941	\$459
Operating Expenses	17,041	12,235	4,806
	\$124,441	\$119,176	\$5,265
Economic Development:			
Salaries & Employee Benefits	\$81,182	\$81,750	(\$568)
Operating Expenses	18,407	17,010	1,397
	\$99,589	\$98,760	\$829
TOTAL ECONOMIC & PHYSICAL DEVELOPMENT	\$848,661	\$811,431	\$37,230
Human Services:			
Public Health:			
Administration:			
Salaries & Employee Benefits	\$1,449,572	\$1,398,092	\$51,480
Operating Expenses	479,634	256,341	223,293
Clinic and Consulting Fees	69,557	66,301	3,256
	\$1,998,763	\$1,720,734	\$278,029
Mental Health:			
The Beacon Center	\$61,218		\$61,218
ABC Funds - Addictions Program	5,400	\$5,400	
	\$66,618	\$5,400	\$61,218
Social Services:			
Administration:			
Salaries & Employee Benefits	\$1,940,735	\$1,927,420	\$13,315
Operating Expenses	219,550	155,665	63,885
	\$2,160,285	\$2,083,085	\$77,200
Adoption Assistance	\$33,972	\$59,531	(\$25,559)

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, 2012

	Budget	2012 Actual	Variance Favorable (Unfavorable)
TANF Program:			
Domestic Violence	\$10,916	\$8,491	\$2,425
Emergency Assistance	18,000	3,853	14,147
Foster Care	155,500	65,904	89,596
	\$184,416	\$78,248	\$106,168
Blind Assistance	\$1,000	\$901	\$99
Energy:			
Carolina Power and Light Crisis Fund	\$2,432	\$1,953	\$479
Day Care:			
County Participation	\$671,456	\$666,361	\$5,095
Smart Start	89,389		89,389
	\$760,845	\$666,361	\$94,484
Adoption Incentive	\$5,457		\$5,457
Crisis LIEAP	\$274,984	\$170,914	\$104,070
Program Expenses	\$31,000	\$21,245	\$9,755
Child Support Enforcement	\$17,400	\$10,708	\$6,692
Food Stamps	\$8,500	\$7,755	\$745
General Assistance	\$8,000	\$4,622	\$3,378
Independent Living	\$3,010	\$2,990	\$20
Work First Job Program	\$77,000	\$53,316	\$23,684
Medical Assistance	\$166,000	\$169,728	(\$3,728)
Neuse River-In Home Care	\$57,473	\$59,758	(\$2,285)
Special Assistance-Adults	\$272,605	\$252,354	\$20,251
Title XX Legal Expense	\$25,000	\$45,832	(\$20,832)
Foster Care	\$166,250	\$143,108	\$23,142
Total Social Services	\$4,255,629	\$3,832,409	\$423,220

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, 2012

	Budget	2012 Actual	Variance Favorable (Unfavorable)
Veterans Service Officer:			
Salaries & Employee Benefits	\$22,424	\$22,426	(\$2)
Operating Expenses	3,077	3,073	4
	\$25,501	\$25,499	\$2
Youth Services:			
Operating Expenses	\$91,028	\$88,477	\$2,551
Capital Outlay	500	399	101
	\$91,528	\$88,876	\$2,652
Senior Services:			
Salaries & Employee Benefits	\$101,032	\$101,897	(\$865)
Operating Expenses	127,524	126,657	867
	\$228,556	\$228,554	\$2
TOTAL HUMAN SERVICES	\$6,666,595	\$5,901,472	\$765,123
Culture and Recreation:			
Regional Library:			
County Matching Share	\$131,000	\$131,000	\$0
Recreation:			
Salaries & Employee Benefits	\$118,261	\$117,850	\$411
Operating Expenses	123,164	115,487	7,677
Capital Outlay	7,200	7,200	
	\$248,625	\$240,537	\$8,088
Sweet Potato Festival	\$65,313	\$55,189	\$10,124
TOTAL CULTURE AND RECREATION	\$444,938	\$426,726	\$18,212
Education:			
Public Schools:			
Current Expense - Local	\$2,247,000	\$2,247,000	
Capital Outlay - Local	453,893	452,659	\$1,234
	\$2,700,893	\$2,699,659	\$1,234
Community College:			
Local Appropriation	\$240,000	\$240,000	
Operating Expenses	5,000	5,000	
	\$245,000	\$245,000	\$0
TOTAL EDUCATION	\$2,945,893	\$2,944,659	\$1,234

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, 2012

	Budget	2012 Actual	Variance Favorable (Unfavorable)
<i>Debt Service:</i>			
Principal Retirement	\$235,240	\$125,273	\$109,967
Interest	395,584	378,210	17,374
TOTAL DEBT SERVICE	\$630,824	\$503,483	\$127,341
TOTAL EXPENDITURES	\$18,503,957	\$17,212,981	\$1,290,976
Excess Revenues Over (Under) Expenditures	\$216,479	(\$1,278,113)	(\$1,494,592)
OTHER FINANCING SOURCES (USES)			
Transfers To Other Funds	(\$471,502)	(\$471,002)	\$500
Transfers From Other Funds	115,300	115,300	
Sale of Fixed Assets	15,000	490	(14,510)
Fund Balance Appropriated	104,723		(104,723)
Capital Lease Obligations Issued	20,000		(20,000)
Total Other Financing Sources (Uses)	(\$216,479)	(\$355,212)	(\$138,733)
Revenue and Other Financing Sources Over (Under) Expenditures and Other Uses	\$0	(\$1,633,325)	(\$1,633,325)
FUND BALANCES			
Beginning of Year, July 1		5,106,378	
FUND BALANCE, Ending		\$3,473,053	

GREENE COUNTY, NORTH CAROLINA
INTERMEDIATE SCHOOL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2012

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total To Date</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:					
<i>Restricted Intergovernmental:</i>					
Investment Earnings			\$134	\$134	\$134
USDA Grant	\$400,000				(\$400,000)
Total Revenues	\$400,000	\$0	\$134	\$134	(\$399,866)
EXPENDITURES:					
<i>Education:</i>					
Admin/Legal	\$30,000	\$28,010	(\$7,949)	\$20,061	\$9,939
Architectural Reimbursement	32,011		32,011	32,011	
Architectural/Engineering	792,500	26,080	752,310	778,390	14,110
Construction	11,119,342	1,620,771	8,627,649	10,248,420	870,922
Capital Outlay	450,000		311,736	311,736	138,264
Interim Interest	230,000		100,874	100,874	129,126
Contingency	198,847				198,847
Construction Management	222,300	58,500	140,400	198,900	23,400
Data Service Technology	375,000				375,000
LEED Submission Cost	5,000		3,542	3,542	1,458
Utility Connections	25,000				25,000
Special Inspections	120,000	17,446	91,066	108,512	11,488
Grant Contingency	400,000				400,000
Total Expenditures	\$14,000,000	\$1,750,807	\$10,051,639	\$11,802,446	\$2,197,554
Revenues Over Expenditures	(\$13,600,000)	(\$1,750,807)	(\$10,051,505)	(\$11,802,312)	\$1,797,688
OTHER FINANCING SOURCES (USES)					
<i>Temporary Financing Issued for USDA</i>					
Installment Purchase Obligations Issued	\$13,600,000	\$743,730	\$9,010,544	\$9,754,274	(\$3,845,726)
Total Other Financing Sources	\$13,600,000	\$743,730	\$9,010,544	\$9,754,274	(\$3,845,726)
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Sources	\$0	(\$1,007,077)	(\$1,040,961)	(\$2,048,038)	(\$2,048,038)
FUND BALANCE, Beginning			(1,007,077)		
FUND BALANCE, Ending			(\$2,048,038)		
Amounts reported for Revenue, Expenditures and Changes in Fund Balance are different from the Budget/Actual Statements due to consolidation of Debt Service Fund:					
<i>Debt Service Fund:</i>					
Transfers In (Out)			95,292		
Fund Balance, Beginning (Debt Service Fund)					
Fund Balance, Ending (Consolidated Intermediate School Fund)			(\$1,952,746)		

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.
- *2009 Community Development Block Grant Project Fund* – This fund accounts for the revenues and expenses associated with various community revitalization projects.
- *Hurricane Irene Fund* – This fund accounts for the revenues and expenses associated with Hurricane Irene which made landfall in eastern North Carolina on August 27, 2011.

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.
- *Court House Renovations Project Fund* – The County uses this fund to account for the renovations for the Greene County Courthouse.

GREENE COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2012

	Special Revenue Funds					
	Fire District Funds	Property Revaluation Fund	Emergency Telephone System Fund	April 2011 Tornado Fund	2009 CDBG Project Fund	Hurricane Irene Fund
ASSETS						
Cash and Investments	\$5,594		\$431,010	\$45,450		\$14,318
Restricted Cash		\$106,759				
Accounts Receivable			9,120			
Due From Other Governments			9,781	4,213		1,280
Due From Other Funds	8,063					
Taxes Receivable, Net	51,616					
TOTAL ASSETS	\$65,273	\$106,759	\$449,911	\$49,663	\$0	\$15,598
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$13,101	\$5	\$151	\$11,392		
Deferred Revenue	52,172					
Due to Other Funds				29,698		
Total Liabilities	\$65,273	\$5	\$151	\$41,090	\$0	\$0
Fund Balances:						
Restricted:						
Stabilization by State Statute			\$18,901	\$4,213		\$1,280
USDA Loan Payments						
Committed		\$106,754				
Assigned			430,859	4,360		14,318
Total Fund Balances	\$0	\$106,754	\$449,760	\$8,573	\$0	\$15,598
TOTAL LIABILITIES AND FUND BALANCES	\$65,273	\$106,759	\$449,911	\$49,663	\$0	\$15,598

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	Court House Renovations Project Fund		
\$496,372		\$26,594	\$29,615	\$56,209	\$552,581
106,759	\$881		77,508	78,389	185,148
9,120		10,000		10,000	19,120
15,274			1,849	1,849	17,123
8,063					8,063
51,616					51,616
\$687,204	\$881	\$36,594	\$108,972	\$146,447	\$833,651
\$24,649		\$2,168	\$105,311	\$107,479	\$132,128
52,172					52,172
29,698		29,727	337,042	366,769	396,467
\$106,519	\$0	\$31,895	\$442,353	\$474,248	\$580,767
\$24,394		\$10,000	\$1,849	\$11,849	\$36,243
			77,508	77,508	77,508
106,754					106,754
449,537	\$881	(5,301)	(412,738)	(417,158)	32,379
\$580,685	\$881	\$4,699	(\$333,381)	(\$327,801)	\$252,884
\$687,204	\$881	\$36,594	\$108,972	\$146,447	\$833,651

GREENE COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For The Fiscal Year Ended June 30, 2012

	Special Revenue Funds					
	Fire District Funds	Property Revaluation Fund	Emergency Telephone System Fund	April 2011 Tornado Fund	2009 CDBG Project Fund	Hurricane Irene Fund
REVENUES:						
Ad Valorem Taxes	\$608,878					
Restricted Intergovernmental			\$109,677		\$161,088	\$35,694
Investment Earnings		\$88	241			
Miscellaneous				\$121,235		22,407
Total Revenues	\$608,878	\$88	\$109,918	\$121,235	\$161,088	\$58,101
EXPENDITURES:						
Public Safety	\$608,878		\$111,949			
Economic Development				\$63,807	\$161,088	\$42,503
Capital Outlay			175,191	125,381		
Debt Service - Principal			29,610			
Debt Service - Interest			614			
Total Expenditures	\$608,878	\$0	\$317,364	\$189,188	\$161,088	\$42,503
Revenues Over (Under) Expenditures	\$0	\$88	(\$207,446)	(\$67,953)	\$0	\$15,598
OTHER FINANCING SOURCES (USES):						
Operating Transfer In (Out)		(\$115,300)				
Installment Purchase Obligations Issued						
Total Other Financing Sources (Uses)	\$0	(\$115,300)	\$0	\$0	\$0	\$0
Revenues and Other Financing Sources Over (Under) Expenditures	\$0	(\$115,212)	(\$207,446)	(\$67,953)	\$0	\$15,598
FUND BALANCES:						
<i>Beginning of Year, July 1</i>		\$221,966	\$657,206	\$278,219		
<i>Prior Period Adjustment (See Note III-D)</i>				(\$201,693)		
<i>Beginning of Year, July 1 (Restated)</i>		\$221,966	\$657,206	76,526		
End of Year, June 30	\$0	\$106,754	\$449,760	\$8,573	\$0	\$15,598

Total Nonmajor Special Revenue Funds	Capital Project Funds			Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	School Capital Finance Fund	American Prawn Cooperative Project Fund	Court House Renovations Project Fund		
\$608,878					\$608,878
306,459		\$10,000		\$10,000	316,459
329			\$473	473	802
143,642					143,642
\$1,059,308	\$0	\$10,000	\$473	\$10,473	\$1,069,781
\$720,827			\$544,270	\$544,270	\$1,265,097
267,398		\$6,430		6,430	273,828
300,572					300,572
29,610	\$11,385			11,385	40,995
614	8,615			8,615	9,229
\$1,319,021	\$20,000	\$6,430	\$544,270	\$570,700	\$1,889,721
(\$259,713)	(\$20,000)	\$3,570	(\$543,797)	(\$560,227)	(\$819,940)
(\$115,300)	\$20,000		\$77,508	\$97,508	(\$17,792)
			466,624	466,624	466,624
(\$115,300)	\$20,000	\$0	\$544,132	\$564,132	\$448,832
(\$375,013)	\$0	\$3,570	\$335	\$3,905	(\$371,108)
\$1,157,391	\$881	\$1,129	(\$333,716)	(\$331,706)	\$825,685
(201,693)					(201,693)
955,698	\$881	\$1,129	(\$333,716)	(\$331,706)	623,992
\$580,685	\$881	\$4,699	(\$333,381)	(\$327,801)	\$252,884

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, 2012

	Annual Budget	2012 Actual	Variance Favorable (Unfavorable)
REVENUES:			
Ad Valorem Taxes - Current Year	\$613,829	\$582,896	(\$30,933)
Ad Valorem Taxes - Prior Years		25,982	25,982
Total Revenues	\$613,829	\$608,878	(\$4,951)
EXPENDITURES:			
<i>Public Safety:</i>			
Rainbow Fire District	\$63,000	\$62,691	\$309
Bull Head Fire District	46,800	46,439	361
Maury Fire District	67,500	66,007	1,493
Arba Fire District	51,000	50,654	346
Shine Fire District	62,790	62,342	448
Little Creek Fire District	31,764	31,672	92
Contentnea Fire District	80,500	80,198	302
Fort Run Fire District	48,925	48,341	584
Jason Fire District	47,550	47,475	75
Castoria Fire District	60,000	59,624	376
Speight's Bridge Fire District	54,000	53,435	565
Total Expenditures	\$613,829	\$608,878	\$4,951
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, 2012

	Annual Budget	2012 Actual	Variance Favorable (Unfavorable)
REVENUES:			
Investment Earnings		\$88	\$88
Total Revenues	\$0	\$88	\$88
EXPENDITURES:			
<i>Current:</i>			
<i>General Government:</i>			
Supplies			
Total Expenditures	\$0	\$0	\$0
Revenues Over (Under) Expenditures	\$0	\$88	\$88
OTHER FINANCING SOURCES			
Operating Transfers In	\$107,900		(\$107,900)
Operating Transfers Out	(115,300)	(\$115,300)	
Fund Balance Appropriated	7,400		(7,400)
Total Other Financing Sources	\$0	(\$115,300)	(\$115,300)
Revenues Over (Under) Expenditures and Other Financing Sources	\$0	(\$115,212)	(\$115,212)
FUND BALANCE, Beginning		221,966	
FUND BALANCE, Ending		\$106,754	

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, 2012

	<u>Annual Budget</u>	<u>2012 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Restricted Intergovernmental:			
PSAP Collections	\$110,700	\$109,677	(\$1,023)
Investment Earnings		241	241
Total Revenues	\$110,700	\$109,918	(\$782)
EXPENDITURES:			
<i>Public Safety:</i>			
Operating Expenses	\$135,119	\$111,949	\$23,170
Capital Outlay - EMS Building/Dorm Construction	6,545	8,578	(2,033)
Capital Outlay - Vehicles	24,295	23,000	1,295
Capital Outlay - Equipment	143,614	143,613	1
Debt Service - Principal	30,339	29,610	729
Debt Service - Interest	623	614	9
Total Expenditures	\$340,535	\$317,364	\$23,171
Revenues Over (Under) Expenditures	(\$229,835)	(\$207,446)	\$22,389
OTHER FINANCING SOURCES (USES):			
Fund Balance Appropriated	\$229,835		(\$229,835)
Total Other Financing Sources (Uses)	\$229,835	\$0	(\$229,835)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$0	(\$207,446)	(\$207,446)
<i>Fund Balance, Beginning</i>		657,206	
Fund Balance, Ending		\$449,760	

GREENE COUNTY, NORTH CAROLINA

APRIL 2011 TORNADO FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
From Inception and for The Fiscal Year Ended June 30, 2012

	Project Authorization	Prior Years as Restated	Actual		Variance Favorable (Unfavorable)
			Current Year	Total to Date	
REVENUES:					
Restricted Intergovernmental:					
FEMA Recovery Funds	\$52,464	\$52,464		\$52,464	
Other:					
Insurance Proceeds	188,691	67,456	\$121,235	188,691	
Total Revenues	\$241,155	\$119,920	\$121,235	\$241,155	\$0
EXPENDITURES:					
<i>Economic Development:</i>					
Insurance Deductible	\$500				\$500
PW 113 - Playground Equip./Scoreboards	54,509		\$54,509	\$54,509	
PW-114 - Windscreen & Fence	47,578		47,578	47,578	
PW 118 - Repair 3 Fields	40,440		40,440	40,440	
PW 119 - Sign, Picnic Shelter	19,812		17,786	17,786	2,026
PW 138 - Overtime	9,578				9,578
PW 341 - Emergency Operations	3,870		3,727	3,727	143
PW 191 - Field/Glass Cleanup	31,856		31,856	31,856	
PW 86 - Debris Removal	2,000		2,000	2,000	
PW 466 - Picnic in Lieu of Appie Depot	29,001		23,294	23,294	5,707
PW 199 - Volunteer Fire	2,011				2,011
Supplies		\$7,649	(7,649)		
Administration Provisions		598	(598)		
Facilities		13,198	(13,198)		
Equipment Rental		21,949	(21,949)		
Refunded to FEMA			11,392	11,392	(11,392)
Total Expenditures	\$241,155	\$43,394	\$189,188	\$232,582	\$8,573
Revenues Over (Under) Expenditures	\$0	\$76,526	(\$67,953)	\$8,573	\$8,573
<i>FUND BALANCE, Beginning</i>			278,219		
<i>Prior Period Adjustment (See Note III-D)</i>			(201,693)		
<i>FUND BALANCE, Beginning (Restated)</i>			76,526		
FUND BALANCE, Ending			\$8,573		

GREENE COUNTY, NORTH CAROLINA
2009 COMMUNITY DEVELOPMENT BLOCK GRANT PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
From Inception and for The Fiscal Year Ended June 30, 2012

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
REVENUES:					
Restricted Intergovernmental:					
2009 - 09-C-1994 Community Development Block Grant	\$345,575	\$184,487	\$161,088	\$345,575	
2008 Single Family Rehabilitation Community Development Block Grant	200,000	95,115		95,115	(\$104,885)
Total Revenues	\$545,575	\$279,602	\$161,088	\$440,690	(\$104,885)
EXPENDITURES:					
<i>Economic Development:</i>					
2009 Community Development Block Grant					
Clearance	\$7,630	\$15,130	(\$7,500)	\$7,630	
Relocation	214,375	86,799	127,576	214,375	
Rehabilitation	88,070	78,325	9,745	88,070	
Administration	35,500	4,233	31,267	35,500	
Total 2009 Community Development Block Grant	\$345,575	\$184,487	\$161,088	\$345,575	\$0
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	\$545,575	\$279,602	\$161,088	\$440,690	\$104,885
Revenues Over (Under) Expenditures	\$0	\$0	\$0	\$0	\$0
<i>FUND BALANCE, Beginning</i>					
FUND BALANCE, Ending			\$0		

GREENE COUNTY, NORTH CAROLINA
HURRICANE IRENE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2012

	Annual Budget	2012 Actual	Variance Favorable (Unfavorable)
REVENUES:			
Restricted Intergovernmental:			
FEMA Recovery Funds	\$35,694	\$35,694	
Other:			
Insurance Proceeds	12,650	22,407	\$9,757
Total Revenues	\$48,344	\$58,101	\$9,757
EXPENDITURES:			
<i>Economic Development:</i>			
PW 446 - Recreation Park	\$7,600	\$7,600	
PW 496 - Overtime, Administrative Facilities	8,958	3,264	\$5,694
PW 850 - Mosquito Control	5,772	5,772	
PW 430 - Recreation Park Gravel	4,407	4,407	
PW 435 - Roof Repair	7,957	7,810	147
Total Expenditures	\$48,344	\$42,503	\$5,841
Revenues Over (Under) Expenditures	\$0	\$15,598	\$15,598
<i>FUND BALANCE, Beginning</i>			
FUND BALANCE, Ending		\$15,598	

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, 2012

	<u>Annual Budget</u>	<u>2012 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
<i>Reserved for Debt Service:</i>			
Public School Building			
Capital Fund - Lottery			
Total Revenues	\$0	\$0	\$0
EXPENDITURES:			
School Capital Projects - Lottery			
Debt Service - Principal	\$11,385	\$11,385	
Debt Service - Interest	8,615	8,615	
Total Expenditures	\$20,000	\$20,000	\$0
Revenues Over Expenditures	(\$20,000)	(\$20,000)	\$0
OTHER FINANCING SOURCES (USES)			
Transfer from General Fund	\$20,000	\$20,000	
Total Other Financing Sources	\$20,000	\$20,000	\$0
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Sources	\$0	\$0	\$0
FUND BALANCE, Beginning		881	
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, 2012

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total To Date</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:					
<i>Restricted Intergovernmental:</i>					
Rural Center Grant	\$300,000	\$300,000		\$300,000	
Golden Leaf Award	50,000	40,000	\$10,000	50,000	
APC Contribution	7,778	7,777		7,777	(\$1)
NC Eastern Region Grant	15,000	15,000		15,000	
Total Revenues	\$372,778	\$362,777	\$10,000	\$372,777	(\$1)
EXPENDITURES:					
Engineer Drawings	\$19,625	\$19,625		\$19,625	
Supplies	2,966	7,487	(\$7,487)		\$2,966
Supplies-Golden Leaf	5,607	6,312	(705)	5,607	
Travel	3,877	3,877		3,877	
Equipment	18,484	16,750		16,750	1,734
Capital Outlay	281,703	281,703		281,703	
Live Holding System	20,035	18,849	1,186	20,035	
Live Hauling	19,425	7,045	12,380	19,425	
Live Shipping	1,056		1,056	1,056	
Total Expenditures	\$372,778	\$361,648	\$6,430	\$368,078	\$4,700
Revenues Over Expenditures	\$0	\$1,129	\$3,570	\$4,699	\$4,699
<i>FUND BALANCE, Beginning</i>			1,129		
FUND BALANCE, Ending			\$4,699		

GREENE COUNTY, NORTH CAROLINA

JAIL CONSTRUCTION / COURT HOUSE RENOVATION CAPITAL PROJECT FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
From Inception and For the Fiscal Year Ended June 30, 2012

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total To Date</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:					
Investment Earnings		\$33,503	\$473	\$33,976	\$33,976
Total Revenues	\$0	\$33,503	\$473	\$33,976	\$33,976
EXPENDITURES:					
<i>Jail Construction:</i>					
Administration & Legal	\$19,003	\$56,652		\$56,652	(\$37,649)
Architectural & Engineering	1,471,104	1,158,408		1,158,408	312,696
Construction	7,853,968	7,903,513		7,903,513	(49,545)
Equipment	200,000	76,493		76,493	123,507
Inspection		82,831		82,831	(82,831)
Owner's Rep Contract	130,000	131,733		131,733	(1,733)
Miscellaneous	445,725	639,943		639,943	(194,218)
Contingency	360,000				360,000
Capital Outlay	20,200	20,144		20,144	56
Total Jail Construction	\$10,500,000	\$10,069,717	\$0	\$10,069,717	\$430,283
<i>Court House Renovation:</i>					
Administration & Legal	\$10,000		\$2,944	\$2,944	\$7,056
Architectural - Development & Design	62,730	\$11,988	49,793	61,781	949
Construction	598,811		445,233	445,233	153,578
Equipment	32,000		10,064	10,064	21,936
Contingency	63,683				63,683
Owner's Rep Contract	47,744	6,503	32,860	39,363	8,381
Inspection	20,000	7,325	3,376	10,701	9,299
Abatement Design Cost	8,100				8,100
Total Court House Renovation	\$843,068	\$25,816	\$544,270	\$570,086	\$272,982
Total Expenditures	\$11,343,068	\$10,095,533	\$544,270	\$10,639,803	\$703,265
Revenues Over (Under) Expenditures	(\$11,343,068)	(\$10,062,030)	(\$543,797)	(\$10,605,827)	\$737,241
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)
Installment Purchase Obligations Re-issued	843,068		\$466,624	466,624	(376,444)
Total Other Financing Sources	\$11,343,068	\$9,728,314	\$466,624	\$10,194,938	(\$1,148,130)
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Sources	\$0	(\$333,716)	(\$77,173)	(\$410,889)	(\$410,889)
FUND BALANCE, Beginning			(333,716)		
FUND BALANCE, Ending			(\$410,889)		
Amounts reported for Revenue, Expenditures and Changes in Fund Balance are Different from the Budget/Actual Statements due to consolidation of Debt Service Fund:					
Transfers In (Out)			77,508		
Fund Balance, Beginning (Debt Service Fund)					
Fund Balance, Ending (Consolidated Courthouse Renovations Fund)			(\$333,381)		

DEBT SERVICE FUND

GREENE COUNTY, NORTH CAROLINA
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
From Inception and For the Fiscal Year Ended June 30, 2012

	<u>Annual Budget</u>	<u>2012 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Debt Service Revenues			
Total Revenues	\$0	\$0	\$0
EXPENDITURES:			
Debt Service Expenditures			
Total Expenditures	\$0	\$0	\$0
Revenues Over Expenditures	\$0	\$0	\$0
OTHER FINANCING SOURCES (USES)			
Transfer from General Fund	\$172,800	\$172,800	
Reserve - Detention Center	(77,508)		\$77,508
Reserve - Intermediate School	(95,292)		95,292
Total Other Financing Sources	\$0	\$172,800	\$172,800
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Sources	\$0	\$172,800	\$172,800
<i>FUND BALANCE, Beginning</i>			
FUND BALANCE, Ending		\$172,800	

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, 2012

	<u>Budget</u>	<u>2012 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Charges for Services:			
Water and Sewer Sales	\$2,322,504	\$1,781,064	(\$541,440)
South Greene Water Corporation Charges	75,000	213,448	138,448
Tap-on Fees and Service Charges	45,000	43,187	(1,813)
Penalties and Interest Charges		73,320	73,320
Miscellaneous	8,000	39,095	31,095
Total Operating Revenues	\$2,450,504	\$2,150,114	(\$300,390)
Nonoperating Revenues:			
Investment Earnings	\$5,000	\$523	(\$4,477)
Alternative Water Supply Fees	470,000	677,527	207,527
Total Nonoperating Revenues	\$475,000	\$678,050	\$203,050
Total Revenues	\$2,925,504	\$2,828,164	(\$97,340)
EXPENDITURES:			
Operating:			
Salaries and Employee Benefits	\$482,278	\$474,406	\$7,872
Supplies	214,000	209,504	4,496
Water Purchases	218,000	172,422	45,578
Maintenance	133,500	115,662	17,838
Contracted Services	143,279	138,049	5,230
Utilities	203,645	143,528	60,117
Sewer Charges - Town of Farmville	180,000	185,369	(5,369)
Office Expense	58,000	55,243	2,757
Professional Services	68,000	49,840	18,160
Management Fee - County	25,000	25,000	
Capital Outlay (Under Threshold)	357	357	
Insurance	22,500	21,724	776
Deposit to Farmville (Joint Agreement)	10,000	10,000	
Miscellaneous	1,000	267	733
Total Operating Expenditures	\$1,759,559	\$1,601,371	\$158,188
DEBT SERVICE:			
Interest on Long-Term Debt	\$420,797	\$420,795	\$2
Principal Payments	777,287	781,991	(4,704)
Total Debt Service	\$1,198,084	\$1,202,786	(\$4,702)
CAPITAL OUTLAY:			
Vehicles	\$32,143	\$15,794	\$16,349
Total Capital Outlay	\$32,143	\$15,794	\$16,349
Total Expenditures	\$2,989,786	\$2,819,951	\$169,835
Revenues Over Expenditures	(\$64,282)	\$8,213	\$72,495

GREENE COUNTY, NORTH CAROLINA
UTILITY FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2012

	<u>Budget</u>	<u>2012 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In:			
General Fund (Cutter Creek)	\$278,202	\$278,202	
Alternative Water Phase 1A	233,080	50,995	(\$182,085)
Alternative Water Supply Fund		577,207	577,207
Operating Transfers Out:			
Alternative Water Supply Fund	(470,000)	(677,527)	(207,527)
Debt Reserve - Alternative Water Phase 1A	(56,738)	(56,738)	
Debt Reserve - Alternative Water Phase 1C	(27,390)	(27,390)	
Fund Balance Appropriated	107,128		(107,128)
Total Other Financing Sources (Uses)	\$64,282	\$144,749	\$80,467
Revenues and Other Financing Sources Over (Under) Expenditures, Financing Uses, and Appropriated Fund Balance	\$0	\$152,962	\$152,962
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL BASIS:			
RECONCILING ITEMS:			
Depreciation		(\$759,378)	
Deposit to Farmville (Joint Agreement)		10,000	
Principal Payments		781,991	
Capital Outlay		15,794	
Increase in Compensated Absences		(4,584)	
Increase in Other Postemployment Benefits		(16,166)	
Increase in Accrued Interest		2,792	
Net Income Capital Reserve Fund Excluding Transfers		208	
Investment Earnings from Alternative Water Supply Capital Reserve Fund		2,269	
Alternative Water Supply Meter Fees from Alternative Water Supply Capital Reserve Fund		402,297	
Interest Payments Made From Alternative Water Supply Fund		(207,489)	
Debt Reserve for Alternative Water Phase 1A		56,738	
Debt Reserve for Alternative Water Phase 1C		27,390	
Depreciation Water & Sewer District 1		(41,445)	
Administrative Expenses Water & Sewer District 1		(2,000)	
Transfer to Alternative Water Supply Fund		677,527	
Reimbursement to Water Fund From Alternative Water Supply Fund		(577,207)	
Alternative Water Phase 1A Project Expenditures		(9,515)	
Transfer to Water Fund from Alternative Water Phase 1A		(50,995)	
Investment Earnings on Alternative Water Phase 1A Project Fund		501	
Liquidated Damages - Alternative Water Phase 1C Project Fund		25,000	
Contributed Capital Alternative Water Phase 1F Project Fund		284,544	
Contributed Capital Alternative Water Phase 1C Project Fund		811,113	
Investment Earnings on Alternative Water Phase 1C Project Fund		261	
Total Reconciling Items		\$1,429,646	
Net Income, Full Accrual Basis		\$1,582,608	

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, 2012

	<u>Budget</u>	<u>2012 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Investment Earnings		\$208	\$208
<i>Total Revenues</i>	\$0	\$208	\$208
OTHER FINANCING SOURCES (USES):			
Operating Transfers In (Out)			
Reserve			
<i>Total Other Financing Sources</i>	\$0	\$0	\$0
<i>Revenues Over (Under) Other Financing Sources</i>	\$0	\$208	\$208
FUND BALANCE, Beginning		504,157	
FUND BALANCE, Ending		\$504,365	

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, 2012

	Budget	2012 Actual	Variance Favorable (Unfavorable)
REVENUES:			
Investment Earnings		\$2,269	\$2,269
Per Meter AWS Fees		402,297	402,297
Total Revenues	\$0	\$404,566	\$404,566
EXPENDITURES:			
Debt Service - Phase 1C Interest Payments	\$187,696	\$207,489	(\$19,793)
Total Expenditures	\$187,696	\$207,489	(\$19,793)
Revenues Over (Under) Other Expenditures	(\$187,696)	\$197,077	\$384,773
OTHER FINANCING SOURCES (USES):			
Operating Transfers In (Out)	\$470,000	\$677,527	\$207,527
Reimbursement to Water Fund	(577,207)	(577,207)	
Reserve	(470,000)		470,000
Fund Balance Appropriated	764,903		(764,903)
Total Other Financing Sources	\$187,696	\$100,320	(\$87,376)
Revenues Over (Under) Other Financing Sources	\$0	\$297,397	\$297,397
FUND BALANCE, Beginning		5,070,629	
FUND BALANCE, Ending		\$5,368,026	

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, 2012

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total To Date</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:					
Investment Earnings		\$30,648		\$30,648	\$30,648
Total Revenues	\$0	\$30,648	\$0	\$30,648	\$30,648
EXPENDITURES:					
Construction	\$1,515,917	\$1,476,579		\$1,476,579	\$39,338
Engineering	114,437	96,388		96,388	18,049
Inspection	112,690	112,689		112,689	1
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, 2012

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Favorable (Unfavorable)
REVENUES:					
Investment Earnings - (BAN Proceeds)	\$57,380	\$59,089	\$543	\$59,632	\$2,252
Investment Earnings from Phase 1A	20,122				(20,122)
Interest Earned on Non-Ban Proceeds		28,180	(42)	28,138	28,138
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	193,193	7,744		7,744	(185,449)
Sale of Timber - Site 247	4,875	4,875		4,875	
Miscellaneous Income	78,365				(78,365)
Total Revenues	\$3,253,935	\$2,999,888	\$501	\$3,000,389	(\$253,546)
EXPENDITURES:					
Construction	\$7,617,111	\$7,559,127		\$7,559,127	\$57,984
Engineering	465,518	456,003	\$9,515	465,518	
Inspection	278,850	276,127		276,127	2,723
Temporary Financing Interest Expense	414,305	398,385		398,385	15,920
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	25,000		25,000	
Grant Assistance	25,000	25,000		25,000	
Reimbursables	21,160	21,160		21,160	
Legal	30,696	30,695		30,695	1
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	\$9,134,320	\$9,044,776	\$9,515	\$9,054,291	\$80,029
Revenues Over (Under) Expenditures	(\$5,880,385)	(\$6,044,888)	(\$9,014)	(\$6,053,902)	(\$173,517)
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)	(50,995)	
Total Other Financing Sources	\$5,880,385	\$6,194,575	(\$50,995)	\$6,143,580	\$263,195
Revenues and Other Financing Over Expenditures and Other Financing Sources	\$0	\$149,687	(\$60,009)	\$89,678	\$89,678
<i>FUND BALANCE, Beginning</i>			149,687		
FUND BALANCE, Ending			\$89,678		

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, 2012

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total To Date</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:					
USDA - RD Grant Income	\$1,600,000	\$932,373	\$611,113	\$1,543,486	(\$56,514)
USDA - RD Transfer from Farmville	200,000		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	316,224				(316,224)
Investment Earnings - (BAN Proceeds)	5,166	5,167	89	5,256	90
Investment Earnings	375	1,012	172	1,184	809
Liquidated Damages	25,000		25,000	25,000	
Total Revenues	\$6,146,765	\$4,738,552	\$836,374	\$5,574,926	(\$571,839)
EXPENDITURES:					
Construction	\$10,220,172	\$9,613,459	\$279,985	\$9,893,444	\$326,728
Engineering	582,188	472,576	106,091	578,667	3,521
Contingency - USDA	248,868				248,868
Temporary Financing Interest Expense	498,247	293,016	21,599	314,615	183,632
Inspection	555,745	555,747		555,747	(2)
Land/Easements	203,206	189,222	13,150	202,372	834
Administrative	8,044	8,043		8,043	1
Grant Assistance	25,000	20,000	5,000	25,000	
Funding Assistance	25,000	25,000		25,000	
Legal	20,697	12,383	8,314	20,697	
Audit	5,000		1,700	1,700	3,300
Project Administration	25,000	20,000	5,000	25,000	
Water Board Coordination	35,000	27,954		27,954	7,046
Inspection Beyond Contract Period	50,456	4,112	46,344	50,456	
Construction Admin Beyond Contract Period	20,000	20,000		20,000	
Contingency - Non-USDA	161,142				161,142
Total Expenditures	\$12,683,765	\$11,261,512	\$487,183	\$11,748,695	\$935,070
Revenues Over (Under) Expenditures	(\$6,537,000)	(\$6,522,960)	\$349,191	(\$6,173,769)	\$363,231
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	\$14,040	\$349,191	\$363,231	\$363,231
FUND BALANCE, Beginning			14,040		
FUND BALANCE, Ending			\$363,231		

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, 2012

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total To Date</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:					
ARRA - DWSRF Principal Forgiveness Grant	\$1,500,000	\$1,215,456	\$284,544	\$1,500,000	
Sales Tax	90,066				(\$90,066)
Local Project Contribution	26,614				(26,614)
Miscellaneous		101		101	101
Total Revenues	\$1,616,680	\$1,215,557	\$284,544	\$1,500,101	(\$116,579)
EXPENDITURES:					
Construction	\$2,558,679	\$1,964,759	\$503,854	\$2,468,613	\$90,066
Engineering	174,347	\$142,932	31,415	174,347	
Construction Observation	191,832	167,947	23,885	191,832	
Legal	2,775	2,775		2,775	
Audit	1,700		1,700	1,700	
Administrative	4,607	4,607		4,607	
Project Administration	85,000	80,000	5,000	85,000	
Funding Assistance	25,000	25,000		25,000	
Grant Administration	25,000	20,000	5,000	25,000	
ARRA DBE Administration	10,000	33,625	(23,625)	10,000	
ARRA Buy American Administration	6,500		6,500	6,500	
ARRA Job Creation Administration	5,000		5,000	5,000	
ARRA Davis Bacon Administration	25,000		25,000	25,000	
Permit Fees	1,240		1,240	1,240	
Total Expenditures	\$3,116,680	\$2,441,645	\$584,969	\$3,026,614	\$90,066
Revenues Over (Under) Expenditures	(\$1,500,000)	(\$1,226,088)	(\$300,425)	(\$1,526,513)	(\$26,513)
OTHER FINANCING SOURCES (USES):					
ARRA - DWSRF Debt Proceeds	\$1,500,000	\$1,215,456	\$284,544	\$1,500,000	
Total Other Financing Sources (Uses)	\$1,500,000	\$1,215,456	\$284,544	\$1,500,000	\$0
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$0	(\$10,632)	(\$15,881)	(\$26,513)	(\$26,513)
FUND BALANCE, Beginning			(10,632)		
FUND BALANCE, Ending			(\$26,513)		

GREENE COUNTY, NORTH CAROLINA
ALTERNATIVE WATER PHASE 1G PROJECT FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total To Date</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:					
USDA - RD Grant Income	\$2,138,000				(\$2,138,000)
Owner Contribution From Surcharge	100,000				(100,000)
Sales Tax Refund - Restricted	35,000				(35,000)
Sales Tax Refund - Unrestricted	165,000				(165,000)
Total Revenues	\$2,438,000	\$0	\$0	\$0	(\$2,438,000)
EXPENDITURES:					
Construction	\$8,205,200				\$8,205,200
Engineering	536,600				536,600
Inspection	400,000				400,000
Legal	15,000				15,000
Land/Easements	140,000		\$9,180	\$9,180	130,820
Temporary Financing Interest	50,000				50,000
Funding Assistance	5,000				5,000
Project Administration	10,000				10,000
Buy American - ARRA	6,500				6,500
Job Creation - ARRA	5,000				5,000
DBE - ARRA	10,000				10,000
Davis Bacon - ARRA	10,000				10,000
Advertisement	2,000				2,000
Printing	10,000				10,000
Reimbursable	2,000				2,000
Repayment of Interim Financing Loan	100,000				100,000
Contingency	409,700				409,700
Funding Assistance - Non-USDA	20,000				20,000
Project Administration - Non-USDA	15,000				15,000
Grant Administration - Non-USDA	25,000				25,000
Water Board Coordination - Non-USDA	15,000				15,000
Contingency - Non-USDA	125,000				125,000
Total Expenditures	\$10,117,000	\$0	\$9,180	\$9,180	\$10,107,820
Revenues Over (Under) Expenditures	(\$7,679,000)	\$0	(\$9,180)	(\$9,180)	\$7,669,820
OTHER FINANCING SOURCES (USES):					
USDA - RD Loan Income - (BAN Proceeds)	\$7,579,000				(\$7,579,000)
Interim Financing Loan From Surcharge	100,000				(100,000)
Total Other Financing Sources (Uses)	\$7,679,000	\$0	\$0	\$0	(\$7,679,000)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$0	\$0	(\$9,180)	(\$9,180)	(\$9,180)
FUND BALANCE, Beginning					
FUND BALANCE, Ending					
			(\$9,180)		

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, 2012

	<u>Budget</u>	<u>2012 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
<i>Total Revenues</i>	\$2,000	\$0	(\$2,000)
EXPENDITURES:			
Administrative	\$2,000	\$2,000	
<i>Total Expenditures</i>	\$2,000	\$2,000	\$0
<i>Revenues Over (Under) Expenditures</i>	\$0	(\$2,000)	(\$2,000)
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>		(\$43,445)	

GREENE COUNTY, NORTH CAROLINA
WATER DEBT RESERVE FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year End June 30, 2012

	<u>Annual Budget</u>	<u>2012 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Debt Service Revenues			
Total Revenues	\$0	\$0	\$0
EXPENDITURES:			
Debt Service Expenditures			
Total Expenditures	\$0	\$0	\$0
Revenues Over Expenditures	\$0	\$0	\$0
OTHER FINANCING SOURCES (USES)			
Transfer from Utility Fund	\$84,128	\$84,128	
Phase 1A Reserve	(56,738)		\$56,738
Phase 1C Reserve	(27,390)		27,390
Total Other Financing Sources	\$0	\$84,128	\$84,128
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Sources	\$0	\$84,128	\$84,128
<i>FUND BALANCE, Beginning</i>			
FUND BALANCE, Ending		\$84,128	

GREENE COUNTY, NORTH CAROLINA
LANDFILL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2012

	<u>Budget</u>	<u>2012 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
<i>Operating:</i>			
Landfill Fees	\$845,124	\$897,494	\$52,370
Total Operating Revenues	\$845,124	\$897,494	\$52,370
<i>Nonoperating:</i>			
Investment Earnings		\$50	\$50
Total Nonoperating Revenues	\$0	\$50	\$50
Total Revenues	\$845,124	\$897,544	\$52,420
EXPENDITURES:			
<i>Operating:</i>			
Salaries and Employee Benefits	\$187,290	\$187,005	\$285
Employee Training	1,500	1,483	17
Supplies	45,000	44,924	76
Maintenance	110,342	110,748	(406)
Contracted Services	327,092	313,894	13,198
Utilities	16,200	13,991	2,209
Professional Services	19,000	17,289	1,711
Insurance	8,000	7,531	469
Site Improvements	3,000	2,546	454
Telephone and Postage	5,200	5,058	142
Travel	1,000	558	442
Disposal Fees	147,000	133,256	13,744
Total Expenditures	\$870,624	\$838,283	\$32,341
CAPITAL OUTLAY:			
Equipment	\$54,500	\$54,500	
Total Capital Outlay	\$54,500	\$54,500	\$0
Revenues Over (Under) Expenditures	(\$80,000)	\$4,761	\$84,761

GREENE COUNTY, NORTH CAROLINA
LANDFILL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2012

	<u>Budget</u>	<u>2012 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OTHER FINANCING SOURCES (USES):			
Fund Balance Appropriated	\$80,000		(\$80,000)
Total Other Financing Sources (Uses)	<u>\$80,000</u>	<u>\$0</u>	<u>(\$80,000)</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$0</u>	<u>\$4,761</u>	<u>\$4,761</u>
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL BASIS:			
Revenues Over (Under) Expenditures	<u>\$0</u>	<u>\$4,761</u>	<u>\$4,761</u>
RECONCILING ITEMS:			
Decrease in Compensated Absences		(\$1,786)	
Increase in Other Postemployment Benefits		(5,235)	
Depreciation		(46,752)	
Capital Outlay		54,500	
Total Reconciling Items		<u>\$727</u>	
Net Income (Loss), Full Accrual Basis		<u>\$5,488</u>	

GREENE COUNTY, NORTH CAROLINA
TRANSPORTATION SYSTEM FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2012

	Budget	2012 Actual	Variance Favorable (Unfavorable)
REVENUES:			
<i>Operating:</i>			
Transportation Fares	\$195,607	\$206,059	\$10,452
Total Operating Revenues	\$195,607	\$206,059	\$10,452
<i>Nonoperating:</i>			
Investment Earnings		\$37	\$37
ROAP - EMPL	\$11,424	11,424	
DOT Transportation Coordination Grant	97,826	91,004	(6,822)
NCDOT Capital Grant	168,446	149,235	(19,211)
ROAP - EDTAP	52,700	52,700	
ROAP - RGP	46,909	46,909	
Third Party Reimbursements	3,000	2,836	(164)
Total Nonoperating Revenues	\$380,305	\$354,145	(\$26,160)
Total Revenues	\$575,912	\$560,204	(\$15,708)
EXPENDITURES:			
<i>Operating:</i>			
Salaries and Employee Benefits	\$309,636	\$307,358	\$2,278
Supplies and Fuel	77,348	77,871	(523)
Maintenance	27,303	27,113	190
Utilities	1,843	1,891	(48)
Office Expense	11,993	11,993	
Telephone and Postage	2,622	2,409	213
Travel	3,224	3,211	13
Miscellaneous Operating Expense	250	180	70
Rent	500	498	2
Indirect Costs	4,066		4,066
Total	\$438,785	\$432,524	\$6,261
CAPITAL OUTLAY:			
Vehicles	\$158,812	\$158,812	
Total Capital Outlay	\$158,812	\$158,812	\$0
Revenues Over (Under) Expenditures	(\$21,685)	(\$31,132)	(\$9,447)
OTHER FINANCING SOURCES:			
Fund Balance Appropriated	\$21,685		(\$21,685)
Total Other Financing Sources	\$21,685	\$0	(\$21,685)
Revenues and Other Financing Sources (Uses) Over Expenditures	\$0	(\$31,132)	(\$31,132)
RECONCILIATION FROM BUDGETARY BASIS			
(MODIFIED ACCRUAL) TO FULL ACCRUAL BASIS:			
RECONCILING ITEMS:			
Increase in Compensated Absences		(\$2,584)	
Increase in Other Post Employment Benefits		(2,371)	
Depreciation		(48,601)	
Capital Outlay		158,812	
Total Reconciling Items		\$105,256	
Net Income, Full Accrual Basis		\$74,124	

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, 2012

	<u>Financial Plan</u>	<u>2012 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
<i>Operating:</i>			
County Contributions/Premiums	\$1,891,999	\$1,586,630	(\$305,369)
Total Operating Revenues	\$1,891,999	\$1,586,630	(\$305,369)
<i>Nonoperating:</i>			
Investment Earnings		\$187	\$187
Total Nonoperating Revenues	\$0	\$187	\$187
Total Revenues	\$1,891,999	\$1,586,817	(\$305,182)
EXPENDITURES:			
<i>Operating:</i>			
Medical Claims and Fees	\$1,891,999	\$1,582,444	\$309,555
Total	\$1,891,999	\$1,582,444	\$309,555
Revenues Over (Under) Expenditures	\$0	\$4,373	\$4,373

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, 2012

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<i>Municipal Tax Fund:</i>				
Assets:				
Cash	\$3,632	\$114,932	\$108,741	\$9,823
Due from Other Governments	5,247	4	3,839	1,412
	<u>\$8,879</u>	<u>\$114,936</u>	<u>\$112,580</u>	<u>\$11,235</u>
Liabilities:				
3% DMV Interest		\$11,063	\$11,063	
Accounts Payable	\$8,879	106,225	103,869	\$11,235
	<u>\$8,879</u>	<u>\$117,288</u>	<u>\$114,932</u>	<u>\$11,235</u>
<i>Social Services Fund:</i>				
Assets, Cash				
	<u>\$116,868</u>	<u>\$155,755</u>	<u>\$143,137</u>	<u>\$129,486</u>
Liabilities, Accounts Payable				
	<u>\$116,868</u>	<u>\$155,755</u>	<u>\$143,137</u>	<u>\$129,486</u>
<i>Jail Inmate Fund:</i>				
Assets, Cash				
	<u>\$2,770</u>	<u>\$45,990</u>	<u>\$46,962</u>	<u>\$1,798</u>
Liabilities, Accounts Payable				
	<u>\$2,770</u>	<u>\$45,990</u>	<u>\$46,962</u>	<u>\$1,798</u>
<i>Fines and Forfeitures Fund:</i>				
Assets:				
Cash		\$6,526		\$6,526
Due from Other Governments	\$5,262	110,376	\$107,631	8,007
	<u>\$5,262</u>	<u>\$116,902</u>	<u>\$107,631</u>	<u>\$14,533</u>
Liabilities:				
Accounts Payable	\$5,262	\$116,902	\$107,631	\$14,533
	<u>\$5,262</u>	<u>\$116,902</u>	<u>\$107,631</u>	<u>\$14,533</u>
<i>South Greene Water Collection Fund:</i>				
Assets:				
Cash	\$93,025	\$464,987	\$538,804	\$19,208
Due from Other Governments	44,997		44,997	
	<u>\$138,022</u>	<u>\$464,987</u>	<u>\$583,801</u>	<u>\$19,208</u>
Liabilities:				
Accounts Payable	\$138,022	\$371,961	\$490,775	\$19,208
	<u>\$138,022</u>	<u>\$371,961</u>	<u>\$490,775</u>	<u>\$19,208</u>
TOTALS - ALL AGENCY FUNDS:				
Assets, Cash and Due From Other Governments				
	<u>\$271,801</u>	<u>\$898,570</u>	<u>\$994,111</u>	<u>\$176,260</u>
Liabilities:				
Accounts Payable	\$271,801	\$807,896	\$903,437	\$176,260
	<u>\$271,801</u>	<u>\$807,896</u>	<u>\$903,437</u>	<u>\$176,260</u>
Total Liabilities	<u>\$271,801</u>	<u>\$807,896</u>	<u>\$903,437</u>	<u>\$176,260</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, 2012

Fiscal Year Ended June 30,	Uncollected Balance June 30, 2011	Additions	Collections and Credits	Uncollected Balance June 30, 2012
2011-12		\$7,672,231	\$7,346,581	\$325,650
2010-11	\$350,416		220,498	129,918
2009-10	96,806		31,341	65,465
2008-09	49,467		15,435	34,032
2007-08	27,937		6,104	21,833
2006-07	19,913		2,709	17,204
2005-06	19,885		2,615	17,270
2004-05	16,544		1,843	14,701
2003-04	16,506		1,918	14,588
2002-03	40,069		2,818	37,251
2001-02	8,756		8,756	
	\$646,299	\$7,672,231	\$7,640,618	\$677,912
Less Allowance for Uncollectible Ad Valorem Taxes Receivable:				141,397
Ad Valorem Taxes Receivable, Net				\$536,515
Reconciliation with Revenues:				
Ad Valorem Taxes - General Fund				\$7,683,177
Interest and Penalties Collected on Ad Valorem Taxes - General Fund				164,248
				\$7,847,425
Reconciling Items:				
Interest and Penalties Collected				(\$164,248)
Refunds				68,420
Dog Tax				(1,247)
Taxes Written Off				(5,030)
Prior Year Releases/Adjustments				(104,702)
Total Reconciling Items				(\$206,807)
Total Collections and Credits				\$7,640,618

GREENE COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
For The Fiscal Year Ended June 30, 2012

	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	\$958,500,397	0.756	\$7,246,263	\$6,648,461	\$597,802
Motor Vehicles Taxed at Prior Year's Rate	45,051,058	0.756	340,586		340,586
Total	\$1,003,551,455		\$7,586,849	\$6,648,461	\$938,388
Discoveries:					
Current Years Taxes	\$7,293,915	0.756	\$55,142	\$55,142	
Prior Years Taxes			46,756	46,756	
Penalties			36,161	36,161	
Total Discoveries	\$7,293,915		\$138,059	\$138,059	\$0
Abatements					
Releases	(\$6,967,857)	0.756	(\$52,677)	(\$26,911)	(\$25,766)
Total Abatements	(\$6,967,857)		(\$52,677)	(\$26,911)	(\$25,766)
Total Property Valuation	\$1,003,877,513				
Net Levy			\$7,672,231	\$6,759,609	\$912,622
Uncollected Taxes at June 30, 2012			325,650	207,394	118,256
Current Year's Taxes Collected			\$7,346,581	\$6,552,215	\$794,366
Current Levy Collection Percentage			95.76%	96.93%	87.04%

GREENE COUNTY, NORTH CAROLINA
TEN LARGEST TAXPAYERS
For The Fiscal Year Ended June 30, 2012

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2011 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Pitt-Greene EMC	Utility	\$16,416,842	1.64%
Ham Farms, Inc.	Agricultural	11,903,264	1.19%
Mill Run Development Group, LLC	Construction	9,614,645	0.96%
Progress Energy Carolinas	Utility	6,868,929	0.68%
Carolina Telephone	Telephone	5,694,516	0.57%
Cutter Creek Golf Club II, LLC	Country Club	5,166,059	0.51%
Piedmont Natural Gas Co., Inc.	Utility	4,609,851	0.46%
L.L. Murphrey Company, Inc.	Swine Producer	4,550,240	0.45%
Vanrack, Inc.	Construction	4,316,203	0.43%
Biotech Mills, Inc.	Environmental	3,729,962	0.37%
		<u>\$72,870,511</u>	<u>7.27%</u>

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

J. DWAYNE MURPHY, CPA
DAVID L. COMER, 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**

INDEPENDENT AUDITOR'S REPORT

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, 2012, which collectively comprises Greene County's basic financial statements, and have issued our report thereon dated November 19, 2012. 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.

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 was not designed to 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 and deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or 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 12-1, Finding 12-2, Finding 12-3, and Finding 12-4 to be material weaknesses.

A significant deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Finding 12-5, Finding 12-6, and Finding 12-7 to be significant deficiencies.

Compliance and Other Matters

As 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 12-5, Finding 12-6, and Finding 12-7.

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.

November 19, 2012



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

J. DWAYNE MURPHY, CPA
DAVID L. COMER, 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**

INDEPENDENT AUDITOR'S REPORT

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, 2012. Greene County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Greene County's management. Our responsibility is to express an opinion on Greene County's compliance based on our audit.

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

In our opinion, Greene County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

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 the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 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.

This report is intended solely for the information and use of 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.

November 19, 2012



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

J. DWAYNE MURPHY, CPA
DAVID L. COMER, 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 APPLICABLE SECTION OMB CIRCULAR A-
133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

INDEPENDENT AUDITOR'S REPORT

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 *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of its major State programs for the year ended June 30, 2012. 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 applicable sections of OMB Circular A-133, and described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about 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 compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2012.

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 with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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.

This report is intended solely for the information and use of 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.

November 19, 2012

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2012

I. SUMMARY OF AUDITORS' RESULTS

	YES	NO
<u>Financial Statements</u>		
Type of auditors' report issued: Unqualified		
Internal control over financial reporting:		
• Material weakness(es) identified	X	
• Significant deficiency(s) identified that are not considered to be material weaknesses	X	
Noncompliance material to financial statements noted		X
<u>Federal Awards</u>		
Internal control over major federal 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 federal programs: Unqualified		
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133		X
Identification of major federal programs:		
<u>CFDA Numbers</u>	<u>Name of Federal Programs or Cluster</u>	
10.766	Community Facilities Loan	
93.778	Title XIX – Medicaid	
Dollar threshold used to distinguish between Type A and Type B Programs	\$1,017,676	

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2012

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

State Awards

Internal control over major State programs:

- | | | |
|--|-------|-------------|
| • Material weakness(es) identified | _____ | _____X_____ |
| • Significant deficiency(s) identified that are not considered to be material weaknesses | _____ | _____X_____ |

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

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

Identification of major State programs:

Program Name

Title XIX - Medicaid – State Match

II. FINANCIAL STATEMENT FINDINGS

FINDING 12-1 – 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, 2012

*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 12-2 – REPORTING

MATERIAL WEAKNESS

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

Condition: Some accounts had not been adjusted to reflect appropriate year-end balances. Some of the accounts not appropriately adjusted included sales tax receivable, accrued vacation, accrued OPEB, capital outlay, depreciation expense and customer deposits. 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. Not all accounts were 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. It can however, be noted that significantly more required journal entries were made by the County this year compared to past years.

*Views of Responsible
Officials and Planned
Corrective Action:*

The County agrees with this finding and will continue to place emphasis on having all accounts adjusted.

FINDING 12-3 – 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, 2012

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 12-4 – 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. These included incorrect beginning balances, improper calculations of depreciation and omission of additions.

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 taking place and the County is in the process of converting its fixed asset schedules to the MUNIS system software. The County expects to have this process completed within the coming fiscal year. In a meeting held between the County and the LGC staff, the County was encouraged not to rush the automation process but to take the time necessary to allow for an accurate conversion.

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2012

FINDING 12-5 – BUDGET OVER EXPENDITURE

**SIGNIFICANT DEFICIENCY
IMMATERIAL NONCOMPLIANCE**

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

Condition: Expenditures made in 3 line items of various 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 12-6 – BUDGETED PROPERTY TAX COLLECTION PERCENTAGE

**SIGNIFICANT DEFICIENCY
IMMATERIAL NONCOMPLIANCE**

Criteria: North Carolina General Statute 159-13(b) requires that the estimated percentage of collections of property taxes for budgeting purposes shall not be greater than the percentage of the levy actually realized in cash in the prior year.

Condition: The County budgeted 97.44% estimated collection rate for the current year real property tax collections. Based on the current year levy and prior year collections, it appears that the County should not have budgeted an amount greater than 96.56% for the current year real property tax revenues. The county budgeted 87.85% estimated collection rate for current year vehicle tax collections. Based on the current year levy and prior year collections, it appears that the County should not have budgeted an amount greater than 86.01% for the current year vehicle tax revenues.

Effect: Tax revenues were budgeted in excess of amounts allowed.

Cause: The County failed to amend the budgeted rate after the 2010-2011 actual collection percentage was determined.

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2012

Recommendation: Responsible personnel will monitor actual collection percentage and compare to budgeted percentage in the future and amend budget if necessary.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with this finding and intends to compare actual collection percentage to budgeted amount and amend if necessary.

FINDING 12-7 – PREAUDIT CERTIFICATE

**SIGNIFICANT DEFICIENCY
IMMATERIAL NONCOMPLIANCE**

Criteria: North Carolina General Statute 159-28(a) requires the finance officer to determine if a sufficient balance remains in the budget “to pay the sums obligated by the transaction”, and that the finance officer certify to this by signing a “preaudit certificate” and placing it on the contract, agreement, or purchase order before it can become an obligation of the governmental unit.

Condition: For approximately ten months of the fiscal year, the County did not adhere to the “preaudit certificate” requirement.

Effect: Obligations were paid without the proper “preaudit certificate”.

Cause: The County switched templates for their accounts payable checks effective September 1, 2011. The new templates (checks) did not have the “preaudit certificate” on them as the former templates did. The finance officer did not pick up on this change and did not place manual “preaudit certificates” on checks. This was not corrected before year end.

Recommendation: The County should either obtain revised accounts payables check templates to include the “preaudit certificate” language or manually stamp/sign each obligation when paid.

Views of Responsible Officials and Planned Corrective Actions: The County agrees with this finding and did correct as soon as the problem was discovered in June of 2012.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

IV. STATE AWARD FINDINGS AND QUESTIONED COSTS

NONE

GREENE COUNTY, NORTH CAROLINA
CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2012

FINANCIAL STATEMENT FINDINGS

FINDING: 12-1

- 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: 12-2

- A. Name of Contact Person: Shawna Wooten, Finance Officer
- B. Corrective Action: The Finance Officer has developed a periodic checklist documenting duties to be performed and detailing accounts that require adjustment. Emphasis will be placed on adjusting accounts monthly. It can be noted that significantly more required journal entries were made by the County this year compared to past years.
- C. Proposed Completion Date: The County plans to begin this process immediately.

FINDING: 12-3

- 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: 12-4

- A. Name of Contact Person: Shawna Wooten, Finance Officer
- B. Corrective Action: The County has received additional fixed asset module training with MUNIS and is in the process of converting all fixed assets to the MUNIS system. The County plans to have all fixed asset information transferred to the MUNIS software system within the coming fiscal year.
- C. Proposed Completion Date: The County has already begun this process.

GREENE COUNTY, NORTH CAROLINA
CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2012

FINDING: 12-5

- 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 the 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: 12-6

- A. Name of Contact Person: Shawna Wooten, Finance Officer
- B. Corrective Action: The Finance Officer plans to budget on allowable amounts for property tax collections in the future and monitor close enough to amend the budgeted amount when necessary.
- C. Proposed Completion Date: The County plans to begin this process immediately.

FINDING: 12-7

- A. Name of Contact Person: Shawna Wooten, Finance Officer
- B. Corrective Action: The Finance Officer has obtained "revised" accounts payable check templates that contain the necessary "preaudit certificate."
- C. Proposed Completion Date: The County has corrected this finding as of June 2012.

GREENE COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 For the Fiscal Year Ended June 30, 2012

- FINDING: 11-1 Financial Reporting**
 STATUS: Not corrected. See current year finding 12-1.
- FINDING: 11-2 Reporting**
 STATUS: Partially corrected. See current year finding 12-2.
- FINDING: 11-3 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 12-3.
- FINDING: 11-4 Fixed Assets**
 STATUS: Not corrected. Errors on the County's fixed asset depreciation schedule were noted during the current year. See current year finding 12-4.
- FINDING: 11-5 Budget Over-expenditures**
 STATUS: Not corrected. Instances of budgetary over-expenditures noted during the current year. See current year finding 12-5.
- FINDING: 11-6 USDA Loan Covenants / Debt Service Requirements**
 STATUS: Corrected.
- FINDING: 11-7 Medicaid - Documentation**
 STATUS: Corrected.
- FINDING: 11-8 Enterprise Program Integrity Control System (EPICS) – Program Files**
 STATUS: Corrected.
- FINDING: 11-9 Medicaid - Documentation**
 STATUS: Corrected.

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
For the Fiscal Year Ended June 30, 2012

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	\$7,536		
USDA Supplement Title III C-2	10.570	NC-15	4,238		
			\$11,774	\$0	\$0
<i>Passed Through NC Department of Health and Human Services:</i>					
Division of Public Health:					
<i>Administered by County Health Department:</i>					
Special Supplemental Nutrition Program for					
Women, Infants and Children:	10.557	15405405	\$191,621		
AGRI-SFP Food Program Meal	10.559		96		
Direct Benefit Payments:					
Special Supplemental Nutrition Program for WIC	10.557		400,021		
Total Division of Public Health			\$591,738	\$0	\$0
<i>Passed Through NC Department of Health and Human Services:</i>					
Division of Social Services:					
<i>Administered by County Department of Social Services:</i>					
Supplemental Nutrition Assistance Program Cluster:					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$182,169		\$182,169
Total Supplemental Nutrition Assistance Program Cluster			\$182,169	\$0	\$182,169
Total NC Department of Health and Human Services			\$785,681	\$0	\$182,169
<i>Passed Through Rural Development:</i>					
<i>Administered by County Finance Department:</i>					
Phase 1C System Improvement Grant	10.760		487,183		
<i>Administered by County Finance Department:</i>					
\$10,500,000 USDA Community Facilities Loan	10.766		544,270		
<i>Administered by County Finance Department:</i>					
\$6,600,000 Community Facilities Loan	10.766		4,802,345		
\$7,000,000 Community Facilities Loan	10.766		5,249,293		
Total Rural Development			\$11,083,091	\$0	\$0
Total U.S. Department of Agriculture			\$11,868,772	\$0	\$182,169

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
For the Fiscal Year Ended June 30, 2012

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		\$11,252		
Emergency Food and Shelter National Board Program	97.024		21,941	\$7,313	
Emergency Food and Shelter National Board Program	97.024		22,253	7,417	
Total U.S. Department of Homeland Security			\$55,446	\$14,730	\$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		\$161,088		
Total U.S. Department of Housing and Urban Development			\$161,088	\$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		\$284,545		
ARRA - DWSRF Principal Forgiveness Loan	66.468		284,545		
Total U.S. Environmental Protection Agency			\$569,090	\$0	\$0
U.S. DEPARTMENT OF HOMELAND SECURITY:					
<i>Passed Through NC Department of Crime Control & Public Safety:</i>					
<i>Administered by County Finance Department:</i>					
April 2011 Tornado Relief	97.036		\$27,901	\$9,300	
Hurricane Irene Relief	97.036		26,770	8,924	
Total U.S. Department of Homeland Security			\$54,671	\$18,224	\$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		\$23,819	\$2,647
Access Title III-B	93.044	NC-15	\$10,364	610	1,219
Title III C-1 Congregate Meals	93.045	NC-15	31,397	1,847	3,694
Congregate Meals 90% State Funds	N/A			3,096	344
Title III C-2 90% State Funds	N/A	NC-15		17,090	1,899
Title III C-2 Home-Delivered Meals	93.045	NC-15	20,608	1,212	2,425

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
For the Fiscal Year Ended June 30, 2012

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		\$48,399	\$5,378
In-Home Title III-B	93.044	NC-15	\$43,798	2,576	5,153
Social Services Block Grant	93.667	NC-15	21,858	625	2,498
Total Aging Cluster			\$128,025	\$99,274	\$25,257
Division of Public Health:					
<i>Passed Through NC Department of Health and Human Services:</i>					
<i>Administered by County Health Department:</i>					
Public Health Emergency Preparedness	93.069		\$37,604		
Immunization Program	93.268		9,214		
Prevention Investigations	93.283		5,240		
ARRA - Preventing Healthcare	93.717		100		
Cancer Early Detection	93.919		5,022	\$1,275	
Healthy Start Communities	93.926		45,220		
Maternal and Child Health Services	93.994		60,932	45,704	
Family Planning	93.218			6,615	
Risk Reduction/Health Promotion	93.991			6,145	
Family Planning Services	93.217		40,406		
Total Division of Public Health			\$203,738	\$59,739	\$0
Administration for Children and Families:					
<i>Passed Through NC Department of Health and Human Services:</i>					
Division of Social Services:					
<i>Administered by County Finance Department:</i>					
Chafee Foster Care Independence Program (CFCIP)	93.674		\$2,389	\$597	
Total Administration for Children and Families			\$2,389	\$597	\$0
<i>Passed Through NC Department of Health and Human Services:</i>					
Division of Social Services:					
Temporary Assistance for Needy Families Cluster:					
<i>Administered by County Department of Social Services:</i>					
Workfirst Administration	93.558		\$61,832		\$33,406
Workfirst Services	93.558		261,089		223,140
TANF Domestic Violence	93.558		8,491		
Family Planning	93.558		2,818		
Family Preservation	93.556		2,221		
Direct Benefit Payments:					
Benefit Payments	93.558		206,577		
Total TANF Cluster			\$543,028	\$0	\$256,546

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
For the Fiscal Year Ended June 30, 2012

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grantor's Number	Expenditures		
			Federal	State	Local
FEDERAL GRANTS					
Title IV-D Administration	93.563		\$145,711		\$82,640
Low-Income Home Energy Assistance:					
Administration	93.568		\$21,931		
Crisis Intervention Payments	93.568		119,957		
Direct Benefit Payments:					
Energy Assistance Payments	93.568		57,405		
			\$199,293	\$0	\$0
Permanency Planning - Reg	93.645		\$5,006	\$1,018	\$2,008
Foster Care and Adoption Cluster					
Title IV-E CPS	93.658		\$31,721	\$6,543	\$25,178
Title IV-E Optional	93.658		1,689		598
Direct Benefit Payments:					
Title IV-E Foster Care	93.658		7,001	1,870	1,870
Title IV-E Adoption Subsidy	93.659		94,998	25,397	51,436
Total Foster Care and Adoption Cluster			\$135,409	\$33,810	\$79,082
Social Services Block Grant:					
Other Services and Training	93.667		\$80,635	\$10,474	\$39,988
In Home Services Fund	93.667		9,640		1,780
Total Social Services Block Grant			\$90,275	\$10,474	\$41,768
Total Division of Social Services			\$1,121,111	\$45,899	\$462,044
Division of Child Development:					
<i>Administered by County Department of Social Services:</i>					
Subsidized Child Care Cluster:					
CCDF Discretionary Subsidy	93.575		\$349,995		
CCDF	93.596		71,853		
CCDF Mandatory	93.596		102,293		
CCDF Match	93.596		23,897	\$12,710	
Social Services Block Grant	93.667		2,488		\$829
Total Child Care Development Fund Cluster			\$550,526	\$12,710	\$829

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
For the Fiscal Year Ended June 30, 2012

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grantor's Number	Expenditures		
			Federal	State	Local
FEDERAL GRANTS					
Temporary Assistance for Needy Families	93.558		\$143,467		
State Programs	93.714		13,151		
Title IV-E Foster Care	93.658		4,001		
Smart Start TANF MOE	N/A			\$25,615	
Smart Start	N/A			6,059	
Total Subsidized Child Care Cluster			\$160,619	\$31,674	\$0
Total Division of Child Development			\$711,145	\$44,384	\$829
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		\$203,275		\$202,332
Medical Assistance Expansion	93.778		9,171	\$9,171	
Medical Transportation Admin	93.778		28,478	2,163	26,991
Adult Care Home Special/Case Management	93.778		9,864	4,932	4,932
CCNC & Pregnancy Prevention	93.778		17,261	6,659	
Direct Benefit Payments:					
Medical Assistance	93.778		18,765,447	10,996,132	
			\$19,033,496	\$11,019,057	\$234,255
Division of Social Services:					
<i>Administration:</i>					
State Children's Insurance Program - NC Health Choice	93.767		\$15,966	\$1,364	\$3,758
Total U.S. Department of Health and Human Services			\$21,213,481	\$11,269,717	\$908,312
TOTAL FEDERAL ASSISTANCE			\$33,922,548	\$11,302,671	\$908,312

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
For the Fiscal Year Ended June 30, 2012

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	\$1,452	\$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	\$19,701	\$0
NC DEPARTMENT OF JUVENILE JUSTICE & DELINQUENCY PREVENTION:					
<i>Administered by County Finance Department:</i>					
Juvenile Crime Prevention:					
Juvenile Crime Prevention Administration	N/A			\$10,381	
Family Preservation	N/A			14,205	
SEED Program	N/A			11,878	
Juvenile Restitution	N/A			44,224	
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			\$22	
Energy Neighborhood	N/A			252	
Direct Benefit Payment:					
SC/SA Domiciliary Care Payments	N/A			252,601	\$252,601
			\$0	\$252,875	\$252,601
Division of Public Health:					
<i>Administered by County Health Department:</i>					
General	N/A			\$102,207	
Women's Preventative Health	N/A			4,280	
Communicable Disease	N/A			10,623	
Aids - State	N/A			500	
Environmental Health	N/A			4,000	
HWTFC Grant	N/A	1378		56,263	
Food & Lodging	N/A			1,929	
			\$0	\$179,802	\$0
Total NC Department of Health and Human Services			\$0	\$432,677	\$252,601

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
For the Fiscal Year Ended June 30, 2012

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			\$2,916	
Total NC Department of Insurance			\$0	\$2,916	\$0
NC DEPARTMENT OF TRANSPORTATION:					
<i>Administered by County Finance Department:</i>					
ROAP Funds	N/A			\$111,033	
Transportation Capital Grant	N/A			149,235	
Total NC Department of Transportation			\$0	\$260,268	\$0
NC DEPARTMENT OF CORRECTIONS:					
Division of Community Corrections:					
<i>Administered by County Sheriff's Department:</i>					
Criminal Justice Partnership	N/A	G0799-IA		\$62,334	
Total NC Department of Corrections			\$0	\$62,334	\$0
TOTAL STATE ASSISTANCE			\$0	\$860,036	\$252,601
TOTAL FEDERAL AND STATE ASSISTANCE			\$33,922,548	\$12,162,707	\$1,160,913

GREENE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
For the Fiscal Year Ended June 30, 2012

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, 2012. 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 Financing with USDA loans \$10,500,000 loan, \$10,194,938 Expenditures to date	10.766	\$10,194,938
Community Facilities Loans & Grants Financing with USDA loans \$6,600,000 loan, \$4,802,445 Expenditures to date	10.766	\$2,754,275
Community Facilities Loans & Grants Financing with USDA loans \$7,000,000 loan, \$7,000,000 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.