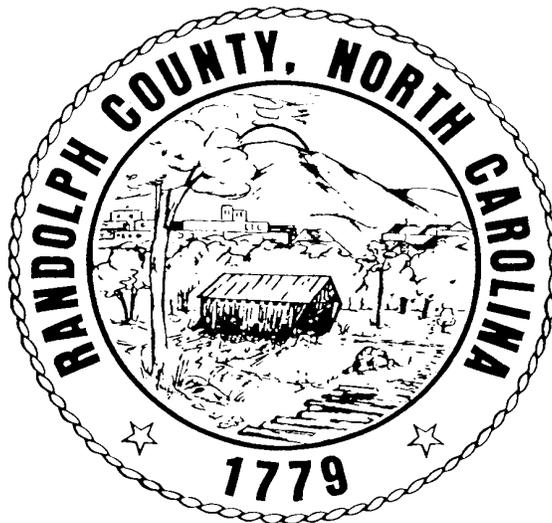


RANDOLPH COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2007



Prepared by:

Randolph County Finance Office

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Deputy Finance Officer

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Internal Auditor/Budget Analyst

**RANDOLPH COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2007

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INTRODUCTORY SECTION

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RANDOLPH COUNTY ADMINISTRATION DEPARTMENT

Randolph County Office Building ☐ 725 McDowell Road ☐ P.O. Box 4728
Asheboro, North Carolina 27204-4728 ☐ County Manager: (336) 318-6300

November 7, 2007

To The Board of Commissioners, County Manager, and Citizens of Randolph County,
North Carolina

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of Randolph County (County) for the fiscal year ended June 30, 2007. This CAFR demonstrates the County's accountability to the citizens of Randolph County, the Board of Commissioners, and other interested parties by presenting financial information which conforms to high reporting standards.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Cherry, Bekaert, and Holland, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal

year ended June 30, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2007, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federal and state mandated, "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These compliance letters, along with the schedule of expenditures of federal and state awards, findings and recommendations, if any, are published in a separate report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

Financial Reporting Entity

The Financial Statements include all funds and account groups of the County, including all activities considered to be part of (controlled by or dependent on) the County. Control by, or dependence on, the County was determined in accordance with the criteria established by the Governmental Accounting Standards Board (GASB) and included in the GASB's guidance in defining the governmental reporting entity.

The financial reporting entity includes all funds and account groups of Randolph County, as well as its component unit. Component units are legally separate entities for which Randolph County is financially accountable. The Randolph County Tourism Development Authority is included as a component unit and presented in the financial statements as if it is a separate governmental fund of the County.

County Profile

Gently rolling hills, river valleys, and forest land characterize Randolph County's 790 square miles. Founded by Quaker settlers in the 1780's, the area offered rich farmland and rivers that provided abundant waterpower. Randolph County is home to the Uwharrie Mountains, one of the world's oldest mountain ranges.

Randolph County was formed in 1779 from the southern section of Guilford County by an act of the NC General Assembly. The County was named for Peyton Randolph of Virginia, a popular leader and President of the Continental Congress of 1774 and 1775.

Randolph County is strategically located in the geographic center of North Carolina. It is the 11th largest county in North Carolina and has the 19th highest population in the state. Nine municipalities are incorporated within the County with Asheboro as the county seat. Asheboro is approximately 70 miles from Raleigh, the State Capital, and from Charlotte, the state's largest city.

Randolph County is a part of the Piedmont Triad region, a six-county area whose central location puts it within 90 miles of the Blue Ridge Mountains to the west and within 200 miles of the Atlantic Ocean to the east. The county sits in the middle of the Eastern Seaboard, within 500 miles of half of the nation's population and largest markets.

Randolph County has long been known as a manufacturing center; traditional industries have included textiles, apparel, and furniture. The area's economic base continues to transition with more diversified and technology-based manufacturing. Agriculture remains an important part of the local economy, with Randolph ranked near the top of the State in beef cattle, milk cows, and poultry production.

Randolph County is home to the North Carolina State Zoological Park, the nation's largest natural-habitat zoo with 500 acres of exhibits and over 1,000 animals. Also located in the County are the Richard Petty Museum (celebrating NASCAR's all-time career victory leader), the Uwharrie National Forest, and the Seagrove area potteries, which enjoy an international reputation for exceptional hand thrown pottery.

Randolph County is also proud to be the home of the Victory Junction Gang Camp, founded by NASCAR's famed Petty family. This facility provides camping experiences for chronically ill children on a 65-acre site near Randleman. The camp is the latest of the "Hole in the Wall Gang Camps" founded by actor Paul Newman.

Profile of the Government

The County has a commissioner/manager form of government. The five members of the Board of Commissioners are elected from districts, at-large, on a partisan basis and serve staggered four-year terms. Commissioners hold policy-making authority and are responsible for adopting the budget and hiring the manager. The county manager is responsible for implementing policies of the governing board, for overseeing the day-to-day operations of the government, and for appointing the heads of various departments. The county manager also functions as budget officer, ensuring fiscal compliance with the annual budget adopted by the Board.

Randolph County government provides a wide range of services, including public safety, environmental protection, human services (Social Services and Public Health), planning and zoning, cultural, general administration and others. This report includes all the County's activities in maintaining these services. The County also extends financial support to certain boards, agencies, and commissions to assist their efforts in serving citizens. Among these are Randolph County Board of Education, Asheboro City Board of Education, Randolph Community College, Sandhills Center, Randolph County Senior Adults Association, and Randolph County Economic Development Corporation.

Randolph County is also financially accountable for a legally separate public authority, the Randolph County Tourism Development Authority, which is reported separately within Randolph County's financial statements. Additional information on this authority can be found in Note I.A. in the notes to the financial statements.

Factors Affecting Financial Condition

The following paragraphs describe the specific environment within which Randolph County operates, providing context for understanding the information presented in the financial statements.

Local economy

The County's economy is highly diversified with a variety of industry and growing trade and tourism sectors. Randolph County is located in the center of the state, has an excellent transportation system, and a strong and willing work force; these have been enticements to a variety of companies in recent years. The addition of new and diversified industries, along with strong commitment from Randolph Community College, has broadened the skills of the local work force. Health care has become one of the fastest growing sectors, and Randolph Hospital today is the fourth largest employer in the County. The Hospital has begun construction on a Radiation Oncology facility and to

consolidate most of Randolph Hospital's Outpatient Services under one roof in a new Outpatient and Cancer Center.

For many years, the County unemployment rate continued to be one of the lowest in North Carolina. Although the national decline in economic conditions has also affected Randolph County, the current unemployment rate stands at 4.6%, still below the statewide rate (4.7%). While many areas have companies that are reducing capacity by closing plants and reducing their work force, Randolph County has benefited by having some of this capacity transferred to our area's existing industry. Other companies are using this time to diversify their current operations by developing new product lines. Local companies are finding ways to compete in a global environment and choosing Randolph County for expansion.

The fundamental strengths of our local economy remain healthy. Furniture currently stands at 15.72% of the job base when combined with lumber and other wood products. Textiles continue to decline as a percentage of the overall job and tax base, now at 5.16% of the jobs in the County. Metalworking, chemical and plastics, and electronic and other electrical products along with instruments constitute 12.57% of the manufacturing jobs in the County. Broad based job creation across the manufacturing and ancillary industrial sector is occurring as companies refill inventories and respond to increased product demand. In 2007, the vacancy rates for industrial and commercial space remain tight, with most buildings selling or leasing within 120-180 days. Since the first of 2007, more than 565,000 square feet of industrial space has been sold or leased by end users. An additional 164,000 square feet of new industrial space has been announced within the same 10-month period. A growing health care sector has a real estate impact including a \$27 million expansion of Randolph Hospital and more than \$5 million in new medical facilities across Randolph County.

The Randolph County Economic Development Corporation (RCEDC), formed in 1985 and funded significantly by the County, has been responsible for a large portion of the County's industrial growth and diversity since its inception. The Corporation's overall goal is to promote Randolph County as an attractive area for industrial and commercial growth. In the last five years, new industrial investment has totaled nearly \$477 million by both new and existing industries. This increased investment generated more than 2,800 new jobs in diverse sectors including food processing, electronics, transportation equipment, chemicals and plastics. Continuous attention is placed on meeting the needs of existing industry. In past years, the RCEDC has received numerous national and regional awards of excellence for marketing, promotion and industrial recruitment.

Malt-O-Meal Company is a privately-owned company based in Minneapolis which makes hot oatmeal and wheat farina cereals and bagged cold cereals. With the help of state and local incentives, the company purchased the Unilever Bestfoods facility and

adjacent sites in Asheboro in 2006. Over the next year or so, Malt-O-Meal plans to renovate the former dry soup facility through investment of \$104 million in building and equipment. At the completion of the project, Malt-O-Meal will become the second largest taxpayer in the county. The company plans to hire 164 employees over the next five years.

Two years ago, the Randolph County Board of Commissioners worked with the Randolph County Economic Development Corporation and began a four-year Economic Development Program to more aggressively work towards a diverse and stable economy. Several recent expansion projects were assisted through incentives from the Economic Development Program. The other emphasis in the Economic Development Program was the need for developed commercial and industrial sites, with infrastructure already available for prospective companies. The Randolph County Economic Development Corporation and the Randolph County Development Corporation have established the criteria for site selection and development. A special advisory committee has been evaluating potential sites; recommendations should be made soon.

Tourism continues to play an increasingly important role in the County's economy. The County is proud to be the home of the North Carolina State Zoological Park, which is one of the nation's finest all-natural-habitat zoos. The Seagrove area is home for over 100 potteries, keeping alive the 200 year old heritage and craft of pottery making. Other tourism attractions consist of four special interest museums: the famous Richard Petty Museum, the N.C. Aviation Museum and the North Carolina Pottery Center. With the efforts of the Randolph Tourism Development Authority to promote tourism, the number of tourists visiting the County should continue to rise.

Long-term Financial Planning

For years, the County has been actively building and renovating public school facilities in order to accommodate student growth and maintain a safe environment for students. Currently, the Board of Commissioners has approved the construction of two new high schools and renovation of an elementary school to lighten the overcrowding. Debt of \$41,195,000 was issued in August 2006 and another \$36,345,000 was issued in September 2007. The elementary school renovation was completed for the 2007-08 school year. The first high school should be available in the 2008-09 school year; the second high school a year later. There are still many critical needs in both school districts and the community college, which will be addressed in later years.

Over the next few years, the County will be designing and constructing an infrastructure of water lines throughout the major growth areas of the County. Through all available partnerships, Randolph County is moving forward with a strategy to distribute water to various regions of the County not currently served by municipal or non-profit water

systems. Over half of the county's population lives outside of municipalities, with approximately 40,000 private wells in use.

Currently, there are two municipal systems with a surplus capacity of treated water. Also, as a member of the Piedmont Triad Regional Water Authority, Randolph County has a water source to meet future needs throughout the County.

The County has also completed a strategic technology plan, managed by a consultant from the Institute of Government, a school of the University of North Carolina. The goals were a) to develop a means of anticipating and planning solutions for our technology need, b) to prioritize projects utilizing our resources and outside options, and c) to develop a means of measuring the effectiveness of all technology projects. This plan serves as the basis for updating our information technology systems, which we have been accomplishing for the past few years.

Cash management policies and practices

The County pools monies from several funds to facilitate disbursement and investment and to maximize investment income. The County invests idle funds with the objectives, in priority order, of safety, liquidity, and yield. All investments must comply with state law, which specifies the types of securities allowable. Randolph County invests primarily in certificates of deposit and the North Carolina Capital Management Trust Cash Portfolio, an SEC-registered (2a-7) money market mutual fund. This strategy ensures that adequate funds are available to meet its obligations while taking advantage of interest rates corresponding to acceptable risk.

Risk management

The County has adopted limited self-insurance plans funded by the General Fund covering short-term disability, workers' compensation, comprehensive and collision deductibles, and incurred but not reported insurance claims. The County is a member of the North Carolina Liability and Property Insurance Pool Fund, which is made up of counties and other entities throughout the state. Through these pools, the County obtains property insurance coverage of \$150 million per occurrence, general liability coverage of \$2 million per occurrence, and workers' compensation coverage up to statutory limits.

Awards and acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Randolph County for its comprehensive annual financial report for the fiscal year ended June 30, 2006. This was the 18th consecutive year that the County has received this prestigious

award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Randolph County also received the GFOA's Distinguished Budget Presentation Award for its annual budget for the fiscal year ended June 30, 2007. This was the third consecutive year that the County has received this prestigious award. In order to receive this award, the governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

We would like to recognize the cooperation of the County's departments in providing efficient financial operations throughout the year. Also, the preparation of this report would not have been possible without the dedicated efforts of the entire staff of the Finance Office. We have set high standards of service, which is reflected in this report.

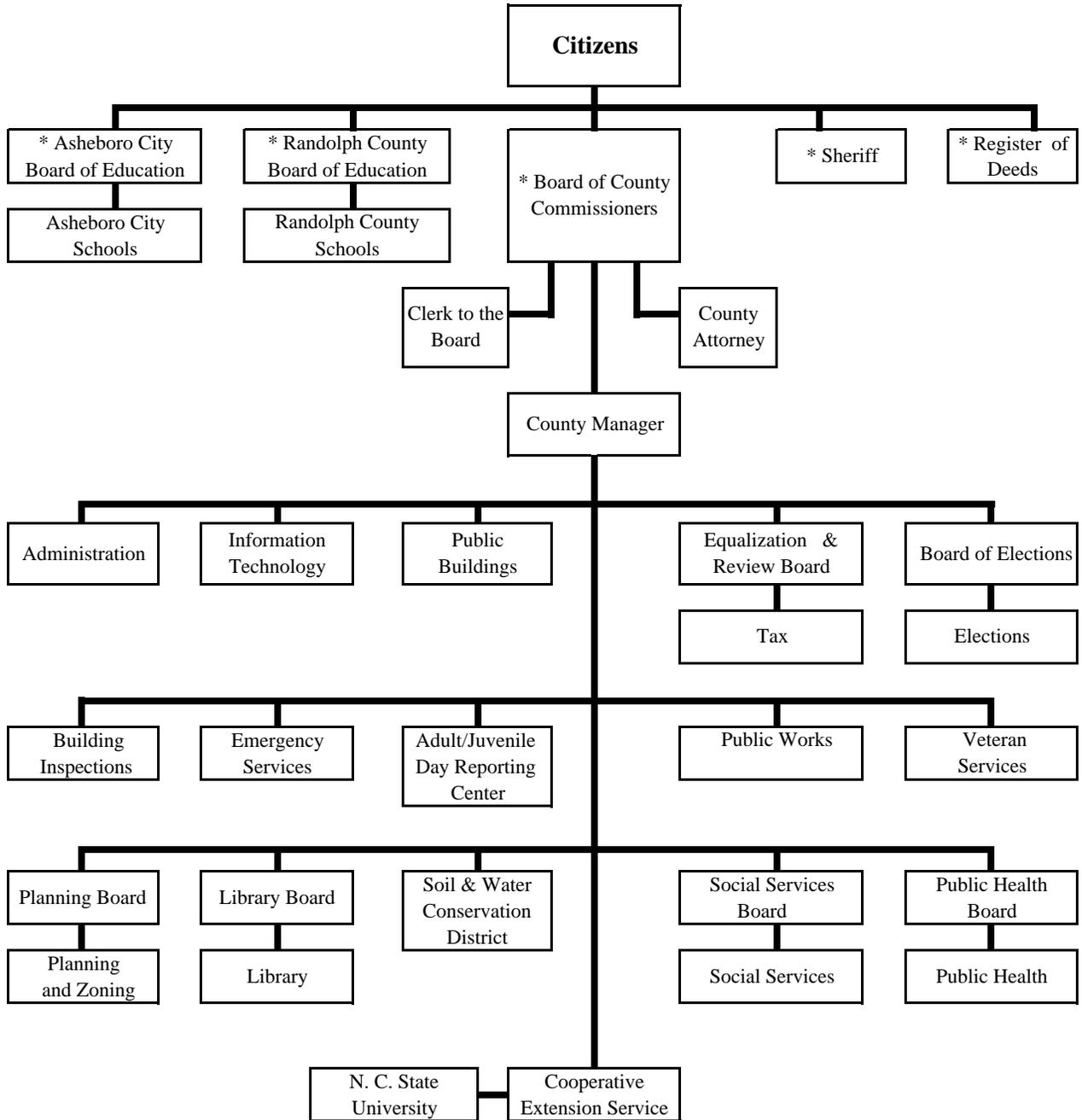
I would also like to thank the members of the Board of Commissioners for their dedication to the citizens of Randolph County and for their continued interest and support throughout the past year. Their efforts make possible the excellent financial position of the County through their support in planning and conducting the financial affairs of the County in a responsible manner.

Respectfully,

A handwritten signature in black ink that reads "William L. Massie". The signature is written in a cursive style with a large initial "W".

William L. Massie, CPA
Assistant County Manager/Finance Officer

RANDOLPH COUNTY, NORTH CAROLINA
ORGANIZATIONAL CHART



* Elected Officials

Randolph County, North Carolina

List of Principal Officials

June 30, 2007



Elected Officials

County CommissionerJ. Harold Holmes, *Chairman*
County CommissionerDarrell L. Frye, *Vice Chairman*
County CommissionerStan Haywood
County CommissionerPhil Kemp
County CommissionerArnold Lanier
SheriffMaynard Reid
Register of DeedsKrista Lowe

County Officials

County Manager.....Richard Wells
Assistant County Manager / Finance Officer.....Will Massie
County Attorney.....Aimee Scotton
Tax Administrator.....Ben Chavis
Director of Building Inspections.....Paxton Arthurs
Director of Building MaintenanceJames Chriscoe
Director of Cooperative ExtensionCarolyn Langley
Director of Data ProcessingAnnette Crotts
Director of ElectionsPatsy Foscue
Director of Emergency ServicesNeil Allen
Director of Planning /ZoningHal Johnson
Director of Public HealthMimi Cooper
Director of Public Library.....Suzanne Tate
Director of Public WorksDavid Townsend, III
Director of Social ServicesBeth Duncan

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Randolph County
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director





FINANCIAL SECTION

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Independent Auditors' Report

To the Board of County Commissioners
Randolph County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Randolph County, North Carolina (the "County") as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these 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 Randolph County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2007, and the respective changes in financial position, where appropriate, 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 7, 2007 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing in considering the results of our audit.

Management's Discussion and Analysis and the Required Supplementary Information listed in the Table of Contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion thereon.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the County. The combining and individual fund statements and schedules, capital assets used in the operation of governmental funds section, and other supplementary information listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Introductory and Statistical Sections, as listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Cherry, Robert + H. H. H. L.L.P.

Asheboro, North Carolina
November 7, 2007

Randolph County, North Carolina

Management's Discussion and Analysis

As management of Randolph County, we offer readers of Randolph County's financial statements this narrative overview and analysis of the financial activities of Randolph County for the fiscal year ended June 30, 2007. 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.

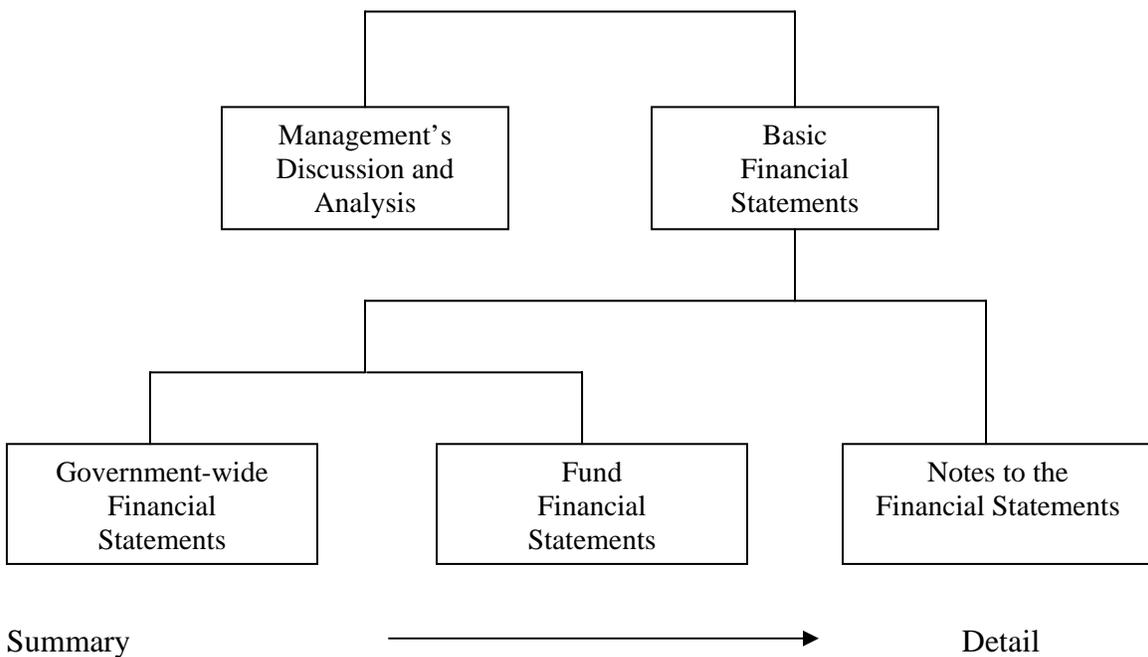
FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the fiscal year by \$6,234,288 (*net assets*). Under North Carolina law, counties are responsible for providing public school facilities. At June 30, 2007, Randolph County had outstanding debt of \$103,761,908 associated with assets owned by the Randolph County Board of Education, the Asheboro City Board of Education, and Randolph Community College. Although this debt is reported in the financial statements as liabilities of Randolph County, the school facilities are not considered capital assets of the County and are not included in the financial statements. This has the effect of reducing total net assets for the County.
- The government's total net assets decreased by \$8,774,414, primarily due to significant project costs in the Randolph County Schools and Asheboro City Schools Capital Projects Funds, following the issuance of debt (\$41,195,000) in August 2006.
- As of the close of the current fiscal year, Randolph County's governmental funds reported combined ending fund balances of \$71,688,662, an increase of \$27,943,153 in comparison with the prior year. This increase includes the repayment of \$2,531,132 from the Schools Capital Projects to the General Fund, which had advanced monies in previous years, prior to issuance of debt. The increase in fund balances also includes \$21,136,050 of net unexpended debt proceeds restricted for school construction projects. Approximately fifty-three percent of this total amount, or \$38,228,725, is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$29,847,915 or 29.3 percent of total general fund expenditures for the fiscal year.
- Randolph County's total debt increased by \$34,893,378 (42.28%) during the current fiscal year, net of the amount of required principal payments. The County issued \$41,195,000 in certificates of participation (COPS) to construct public schools.
- Randolph County maintained for the 9th consecutive year, its Aa3 bond rating from Moody's Investor Service and for the 7th consecutive year, its AA- rating from Standard and Poor's Corporation.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Randolph 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. 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 Randolph County.

Required Components of Annual Financial Report



BASIC FINANCIAL STATEMENTS

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short- and long-term information about the County's financial status.

The next statements (Exhibits 3 through 7) 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 three parts to the Fund Financial Statements: 1) the governmental funds statements, 2) the budgetary comparison statements, and 3) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. Following

the notes is the required supplemental information. This section contains funding information about the County's pension plans.

After the notes and required supplemental information, additional **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.

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 gage the County's financial condition. Over time, increases or decreases in net assets may serve as a useful indicator of whether or not the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation or sick leave).

The government-wide statements are divided into two categories: 1) governmental activities of the primary government (the County) and 2) component units. The governmental activities include most of the County's basic services such as public safety, human services, and general administration. Property taxes, sales taxes, and state and federal grant funds finance most of these activities. The other category is the component unit.

The government-wide financial statements include not only the County itself (known as the primary government), but also any component units over which the County exercises some degree of control. Financial information for component units is reported separately from the financial information presented for the primary government itself. Randolph County Tourism Development Authority (TDA) is a public authority created by the County to promote tourism and is funded primarily by an occupancy tax assessed by the County. The County Commissioners appoint the board of directors for the TDA.

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. Randolph 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 Randolph County can be classified within the governmental funds or fiduciary funds categories.

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.

Randolph 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.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. Randolph County has nineteen fiduciary funds, one of which is a pension trust fund and eighteen of which are 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 start on page 25 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Randolph County’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 63 of this report.

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 Randolph County exceeded liabilities by \$6,234,288 as of June 30, 2007. The County’s net assets decreased by \$8,774,414 for the fiscal year ended June 30, 2007. One of the largest portions reflects the County’s investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Randolph County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Randolph 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 Randolph County’s net assets (\$26,273,356) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(57,347,289) is unrestricted.

Randolph County’s Net Assets

| | Governmental Activities | |
|----------------------------------------------------|------------------------------------|----------------------|
| | 2007 | 2006 |
| Current and other assets | \$ 101,593,168 | \$ 69,132,331 |
| Capital assets | <u>35,251,797</u> | <u>36,117,107</u> |
| Total assets | <u>136,844,965</u> | <u>105,249,438</u> |
| | | |
| Long-term liabilities outstanding | 111,326,726 | 86,908,671 |
| Other liabilities | <u>19,283,951</u> | <u>3,332,065</u> |
| Total liabilities | <u>130,610,677</u> | <u>90,240,736</u> |
| | | |
| Net assets: | | |
| Invested in capital assets, net of related debt | 37,308,221 | 25,053,217 |
| Restricted | 26,273,356 | 4,484,087 |
| Unrestricted | <u>(57,347,289)</u> | <u>(14,528,602)</u> |
| Total net assets | <u>\$ 6,234,288</u> | <u>\$ 15,008,702</u> |

As with many counties in North Carolina, the County's deficit in unrestricted net assets is due primarily to the portion of the County's outstanding debt incurred for the two Boards of Education within Randolph County and the Community College. Under North Carolina law, the County is responsible for providing capital funding for these school systems. The County meets its legal obligation to provide school system capital funding through both current appropriations and issuance of general obligation and installment purchase debt. Although certain asset purchases and construction projects are funded by the County, all such facilities are owned and utilized by the school systems.

Since the County, as the issuing government, acquires no capital assets, the County has incurred liability without a corresponding increase in assets. As of June 30, 2007, \$103,761,908 of the outstanding debt on the County's financial statements was related to assets included in the school systems' financial statements.

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 98.21%, higher than the statewide average of 96.63%.
- Strength of local economy was reflected in retail sales; sales tax collections grew 8.07%.
- Issuance of \$41,195,000 in debt in August 2006 for school construction, \$21,116,114 of which remained in net assets as of June 30, 2007; another \$19,936 remained in other funds restricted for school construction.
- Sale of timber rights (\$113,800) on a portion of the County's landfill property.
- Continued low cost of debt due to the County's strong bond rating.
- Despite a tight budget, departments maintained services through effective management of resources and without exceeding fiscal limits.

Randolph County Changes in Net Assets

| | Governmental Activities 2007 | Governmental Activities 2006 |
|-----------------------------------|------------------------------------|------------------------------------|
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 10,884,951 | \$ 10,460,744 |
| Operating grants and cont | 17,647,674 | 16,226,299 |
| Capital grants and contrib | 262,258 | 670,612 |
| General revenues: | | |
| Property taxes | 52,455,379 | 50,631,937 |
| Sales taxes | 24,373,320 | 22,553,119 |
| Other taxes | 1,938,657 | 1,880,040 |
| Other | 5,011,293 | 2,619,913 |
| Total revenues | 112,573,532 | 105,042,664 |
| Expenses: | | |
| General government | 9,336,160 | 8,919,465 |
| Public safety | 24,790,755 | 22,846,258 |
| Economic and physical develop | 2,913,642 | 1,990,561 |
| Environmental protection | 3,201,875 | 3,092,969 |
| Human services | 30,104,317 | 27,234,372 |
| Culture and recreation | 1,822,300 | 1,731,871 |
| Education | 43,723,899 | 26,074,526 |
| Interest on long-term debt | 5,454,998 | 4,221,094 |
| Total expenses | 121,347,946 | 96,111,116 |
| Increase (decrease) in net assets | (8,774,414) | 8,931,548 |
| Net assets, July 1 | 15,008,702 | 6,106,357 |
| Prior Period Adjustment | - | (29,203) |
| Net assets, June 30 | \$ 6,234,288 | \$ 15,008,702 |

Governmental activities. Governmental activities decreased the County's net assets \$8,774,414 for the year. Key elements in several areas affected the County's net assets:

- Growth in property tax base 1.3% beyond budgeted levels.
- Maintenance of the County's high tax collection rate of 98.21%.
- Sales tax collections grew 8.07%, for an additional \$1,293,320 beyond the budgeted level.
- Medicaid costs rose only 3.86 percent, or an additional \$235,294, due to the State's temporary cap on county's share of costs.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

The General Fund is the chief operating fund of Randolph County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$29,847,915, while total fund balance reached \$41,612,618. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 29.3 percent of total General Fund expenditures, while total fund balance represents 41.33 percent of that same amount.

At June 30, 2007, the governmental funds of Randolph County reported a combined fund balance of \$71,688,662, a 63.88 percent increase over last year. The primary reason for this change is the increase in fund balance in the school capital projects, due to the unexpended proceeds from debt. Excluding the two school projects, governmental fund balances increased by 15.56 percent.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available, 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants, and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues and other financing sources by \$5,831,737, or 5.67 percent. These changes were primarily to record increased federal and state financial assistance and the reimbursement of funds to the General Fund for monies advanced to two school capital projects (\$2,531,132) during the past two fiscal years.

Randolph County traditionally takes a conservative approach to financial management, budgeting revenues prudently and operating within budgetary limits for expenditures. Actual revenues exceeded budgeted amounts by \$3,244,919, which was the result of strong property tax revenues, sales tax collections, and investment earnings. Expenditures were \$5,032,578 under budget, with unspent monies primarily due to delayed public building projects, economic development incentives not yet disbursed, lower than projected Medicaid costs, and careful departmental operating costs.

School Capital Projects: Randolph County began design of a new high school and renovation of an elementary school during the 2004-05 fiscal year and advanced certain costs prior to the issuance of \$41,195,000 of debt in August 2006. During the 2006-07

fiscal year, these advances (\$2,531,132) were reimbursed from debt proceeds. The two capital project funds also spent another \$18,361,507 in construction costs during the year. At June 30, 2007, \$21,136,050 of fund balance remained in the two capital projects as net unexpended debt proceeds for these school construction projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Randolph County’s capital assets for its governmental–type activities as of June 30, 2007, totals \$35,251,797 (net of accumulated depreciation). These assets include buildings, land, land improvements, machinery and equipment, and vehicles.

Major capital asset transactions during the year include:

- Purchased three new ambulances for Emergency Services and new vehicles and patrol cars for Sheriff.
- Renovated buildings for Central Permitting and Elections.
- Replaced a boiler at the detention facility.
- Upgrade of public safety software.

**Randolph County’s Capital Assets
(net of depreciation)**

| | Governmental Activities 2007 | Governmental Activities 2006 | |
|--------------------------|------------------------------------|------------------------------------|--|
| | 2007 | 2006 | |
| Land | \$ 2,937,830 | \$ 2,937,830 | |
| Land improvements | 272,591 | 279,907 | |
| Buildings | 27,099,342 | 27,766,879 | |
| Machinery and equipment | 3,016,574 | 3,400,149 | |
| Vehicles | 1,925,460 | 1,732,342 | |
| Construction in progress | - | - | |
| Total | \$ 35,251,797 | \$ 36,117,107 | |

Additional information on the County’s capital assets can be found in note II.A.6 of the Basic Financial Statements.

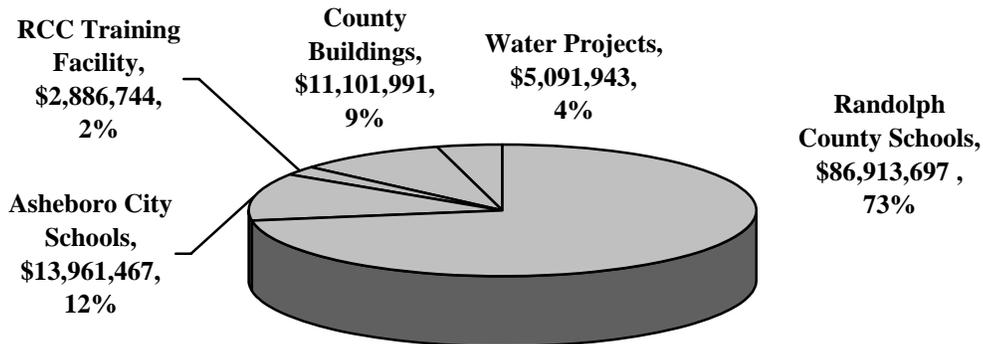
Long-term Debt. As of June 30, 2007, Randolph County had total bonded debt outstanding of \$6,050,000, all of which is debt backed by the full faith and credit of the County. In addition, the County was obligated under several installment purchase agreements and a Clean Drinking Water note payable to the State of North Carolina.

Randolph County's Outstanding Debt

| | Governmental Activities | |
|----------------------------------|----------------------------|---------------|
| | 2007 | 2006 |
| General obligation bonds | \$ 6,050,000 | \$ 8,260,000 |
| Installment purchase obligations | 113,303,535 | 76,549,741 |
| Less deferred items, net | (2,536,442) | (3,046,269) |
| Capital lease | - | 117,221 |
| Notes payable - State of N.C. | 602,308 | 645,330 |
| | \$ 117,419,401 | \$ 82,526,023 |

During the past fiscal year, Randolph County's total debt increased by \$34,893,378; \$41,195,000 of new debt was issued and \$6,811,449 was paid as required principal payments.

Outstanding County Debt By Purpose



As mentioned in the financial highlights section of this document, Randolph County maintained for the 9th consecutive year, its Aa3 bond rating from Moody's Investor Service and for the 7th consecutive year, its AA- rating from Standard and Poor's Corporation. These bond ratings are a clear indication of the sound financial condition of Randolph County. This achievement is a primary factor in keeping interest costs low on the County's outstanding debt.

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 Randolph County is \$589,085,402. The County has no bonds authorized but unissued at June 30, 2007. However, in July, the Board of County Commissioners authorized the County to issue up to \$45,000,000 in certificates of participation for school construction; \$36,345,000 was issued in September 2007.

For the portion of the outstanding debt that is general obligation debt, the full faith, credit and taxing power of the County is responsible for ensuring repayment. Accordingly, the County is authorized and required by state law to levy ad valorem taxes, without limit as to rate or amount, as may be necessary to pay the debt service on its general obligation

bonds. Much of the debt, however, is installment purchase obligations, which uses the asset itself as collateral for the outstanding debt balances. Regardless of the type of financing, the County is responsible for all repayment of issued debt.

Additional information regarding Randolph County's long-term debt can be found in note II.B.7, beginning on page 51 of this audited financial report.

ECONOMIC FACTORS

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

- The County's current unemployment rate of 4.6% is lower than the state average of 4.7%.
- New manufacturing investment of over \$76.5 million was announced last year; 240 new jobs were planned by 16 companies.
- On June 26, Malt-O-Meal Company began construction of a facility to expand its share of the breakfast cereal market in the eastern part of the country. The manufacturer plans to renovate a former dry soup facility through investment of \$104 million in building and equipment. At the completion of the project, Malt-O-Meal will become the second largest taxpayer in the County. They anticipate at least 164 jobs will be created over the next five years.
- Development of a County-wide Water Plan should improve cooperation among municipal and private utilities and promote growth and economic development. The Board of Commissioners believes that the development of water infrastructure into rural areas is essential to the future prosperity of the County.
- Despite higher gas prices, hotel occupancy has remained constant over the past year.

BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2008

Governmental Activities:

The Final 2007-08 General Fund Budget totals \$111,089,583, an 8.02% increase over last year. The 2007-08 Budget levies a 53.5¢ property tax rate (the same as last year) with a countywide property valuation of \$10,000,000,000. The County's 2007-08 tax rate was the 5th lowest among urban (>100,000 population) counties and 27th lowest among all 100 counties in North Carolina.

The Board of Commissioners continues to provide for the needs of our public schools and community college. The final budget includes an additional \$549,149 in current Education appropriations, or an increase of approximately 2%. Randolph County is constructing two new high schools and renovating an elementary school. An additional \$3,983,959 was necessary for debt service on the financing for school construction. The Final Budget includes \$1,500,000 in grant proceeds from the NC Education Lottery to pay for debt service on school construction.

The budget includes a 3% market adjustment to the employee pay plan to maintain compensation close to levels paid by other governments. Nine new positions were added to the County to improve efficiency, meet the increased demand for public services, or improve public safety.

In 2005, the Randolph County Economic Development Corporation proposed a four-year economic development program for Randolph County to finance projects in a manner which allows the County to retain better control over its future growth. The 2007-08 Budget includes \$884,520 for future economic development projects, funded with .91¢ of the property tax rate.

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, Randolph County, 725 McDowell Road, Asheboro, NC 27205.

Randolph County, North Carolina
Statement of Net Assets
June 30, 2007

| | Primary Government | Component Unit |
|--------------------------------------------------|---------------------------|------------------------|
| | Governmental | Randolph County |
| | Activities | Tourism |
| | | Development |
| | | Authority |
| | | |
| ASSETS | | |
| Cash and cash equivalents | \$ 44,351,607 | \$ 293,170 |
| Receivables (net) | 13,453,474 | 36,074 |
| Due from fiduciary funds | 12,229 | |
| Prepaid items and deferred charges | 1,358,659 | |
| Notes receivable | 602,308 | |
| Restricted cash | 24,792,939 | |
| Intangible asset: | | |
| Water rights | 17,021,952 | |
| Capital assets: | | |
| Land, improvements, and construction in progress | 2,937,830 | |
| Other capital assets, net of depreciation | 32,313,967 | - |
| Total capital assets | 35,251,797 | - |
| Total assets | 136,844,965 | 329,244 |
| LIABILITIES | | |
| Accounts payable and accrued expenses | 2,304,999 | 266 |
| Due to fiduciary funds | 283,008 | |
| Unearned revenue | 628,080 | |
| Liabilities payable from restricted assets | 3,848,060 | |
| Accrued interest payable | 1,098,913 | |
| Long-term liabilities: | | |
| Due within one year | 11,120,891 | |
| Due in more than one year | 111,326,726 | 4,118 |
| Total liabilities | 130,610,677 | 4,384 |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 37,308,221 | |
| Restricted for: | | |
| General government | 134,433 | |
| Public safety | 2,930,460 | |
| Human services | 1,972,273 | |
| Cultural and recreational | 100,140 | |
| School construction | 21,136,050 | |
| Unrestricted (deficit) | (57,347,289) | 324,860 |
| Total net assets | \$ 6,234,288 | \$ 324,860 |

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

Randolph County, North Carolina
Statement of Activities
For the Fiscal Year Ended June 30, 2007

| Functions/Programs | Program Revenues | | | |
|-----------------------------------------------|-------------------------|------------------------------------------|-------------------------------------|------------|
| Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Primary government: | | | | |
| Governmental Activities: | | | | |
| General government | \$ 9,336,160 | \$ 1,247,146 | \$ 18,317 | \$ - |
| Public safety | 24,790,755 | 5,160,274 | 1,145,833 | - |
| Economic and physical development | 2,913,642 | 30,598 | 384,946 | - |
| Environmental protection | 3,201,875 | 3,027,823 | 3,454 | - |
| Human services | 30,104,317 | 1,294,637 | 13,836,655 | - |
| Cultural and recreation | 1,822,300 | 124,473 | 222,821 | 104,607 |
| Education | 43,723,899 | - | - | 157,651 |
| Interest on long-term debt | 5,454,998 | - | 2,035,648 | - |
| Total primary government | \$ 121,347,946 | \$ 10,884,951 | \$ 17,647,674 | \$ 262,258 |
| Component unit: | | | | |
| Randolph County Tourism Development Authority | \$ 356,233 | \$ - | \$ - | \$ - |
| General revenues: | | | | |
| Taxes: | | | | |
| Property taxes, levied for general purpose | | | | |
| Local option sales tax | | | | |
| Other taxes and licenses | | | | |
| Investment earnings, unrestricted | | | | |
| Miscellaneous, unrestricted | | | | |
| Total general revenues | | | | |
| Change in net assets | | | | |
| Net assets-beginning | | | | |
| Net assets-ending | | | | |

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

| Net (Expense) Revenue and Changes in Net Assets | |
|--------------------------------------------------------|------------------------------------------------------------------|
| Primary Government | Component Unit |
| Governmental Activities | Randolph County Tourism Development Authority |
| \$ (8,070,697) | |
| (18,484,648) | |
| (2,498,098) | |
| (170,598) | |
| (14,973,025) | |
| (1,370,399) | |
| (43,566,248) | |
| <u>(3,419,350)</u> | |
| <u>(92,553,063)</u> | |
| | \$ <u>(356,233)</u> |
| 52,455,379 | |
| 24,373,320 | |
| 1,938,657 | 361,670 |
| 4,050,188 | 15,696 |
| 961,105 | - |
| <u>83,778,649</u> | <u>377,366</u> |
| (8,774,414) | 21,133 |
| <u>15,008,702</u> | <u>303,727</u> |
| <u>\$ 6,234,288</u> | <u>\$ 324,860</u> |

Randolph County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2007

| | <u>Major Funds</u> | | <u>Non-Major Funds</u> | <u>Total</u> |
|--------------------------------------------------------|----------------------|-------------------------------------------|-----------------------------------------|-------------------------------|
| | <u>General</u> | <u>County Schools Capital Project</u> | <u>Other Governmental Funds</u> | <u>Governmental Funds</u> |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 35,450,887 | \$ 172,250 | \$ 8,728,470 | \$ 44,351,607 |
| Accounts receivables, net | 2,366,588 | | 183,008 | 2,549,596 |
| Taxes receivable, net | 1,576,753 | | 182,313 | 1,759,066 |
| Due from other governments | 8,768,933 | 110,548 | 224,822 | 9,104,303 |
| Due from other funds | 142,420 | | 88,386 | 230,806 |
| Prepaid items | 12,208 | | | 12,208 |
| Notes receivable | 602,308 | | | 602,308 |
| Restricted cash and cash equivalents | - | 23,595,307 | 1,197,632 | 24,792,939 |
| Total assets | <u>\$ 48,920,097</u> | <u>\$ 23,878,105</u> | <u>\$ 10,604,631</u> | <u>\$ 83,402,833</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 2,261,576 | \$ - | \$ 43,423 | \$ 2,304,999 |
| Due to other funds | 371,394 | | 130,191 | 501,585 |
| Unearned revenue | 425,375 | 172,250 | 30,455 | 628,080 |
| Deferred revenue | 4,249,134 | | 182,313 | 4,431,447 |
| Liabilities payable from restricted assets | - | 3,232,665 | 615,395 | 3,848,060 |
| Total liabilities | <u>7,307,479</u> | <u>3,404,915</u> | <u>1,001,777</u> | <u>11,714,171</u> |
| Fund balances: | | | | |
| Reserved for: | | | | |
| State statute | 9,220,076 | | 495,148 | 9,715,224 |
| Encumbrances | 2,544,627 | | 64,036 | 2,608,663 |
| Unreserved: | | | | |
| Designated for subsequent year - General Fund | 1,838,158 | | | 1,838,158 |
| Designated for subsequent year - Special Revenue Funds | | | 63,500 | 63,500 |
| Undesignated | 28,009,757 | | | 28,009,757 |
| Unreserved, reported in: | | | | |
| Special revenue funds | | | 6,789,010 | 6,789,010 |
| Capital projects funds | - | 20,473,190 | 2,191,160 | 22,664,350 |
| Total fund balances | <u>41,612,618</u> | <u>20,473,190</u> | <u>9,602,854</u> | <u>71,688,662</u> |
| Total liabilities and fund balances | <u>\$ 48,920,097</u> | <u>\$ 23,878,105</u> | <u>\$ 10,604,631</u> | |

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. | 35,251,797 |
| The disbursements reported in the Randleman Dam Capital Project are presented in the Statement of Net Assets as an increase in intangible asset. | 17,021,952 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. | 1,386,960 |
| Liabilities for earned but deferred revenues in fund statements. | 4,431,447 |
| Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note 4) | <u>(123,546,530)</u> |
| Net assets of governmental activities | <u>\$ 6,234,288</u> |

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

Randolph County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2007

| | <u>Major Funds</u> | | <u>Non-Major Funds</u> | |
|---------------------------------------------------|------------------------|--------------------------------|---------------------------|---------------------------|
| | <u>Randolph County</u> | | <u>Other</u> | <u>Total</u> |
| | <u>General Fund</u> | <u>Schools Capital Project</u> | <u>Governmental Funds</u> | <u>Governmental Funds</u> |
| REVENUES | | | | |
| Ad valorem taxes | \$ 47,322,541 | \$ - | \$ 5,141,433 | \$ 52,463,974 |
| Local option sales taxes | 24,373,320 | | | 24,373,320 |
| Other taxes and licenses | 1,180,805 | | 757,675 | 1,938,480 |
| Unrestricted intergovernmental | 265,406 | | | 265,406 |
| Restricted intergovernmental | 17,557,649 | | 497,734 | 18,055,383 |
| Permits and fees | 1,935,104 | | | 1,935,104 |
| Sales and services | 8,542,506 | | | 8,542,506 |
| Investment earnings | 2,351,737 | 1,326,959 | 575,581 | 4,254,277 |
| Miscellaneous | 686,610 | - | 9,481 | 696,091 |
| Total revenues | <u>104,215,678</u> | <u>1,326,959</u> | <u>6,981,904</u> | <u>112,524,541</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 8,510,353 | | | 8,510,353 |
| Public safety | 18,594,381 | | 5,644,455 | 24,238,836 |
| Economic and physical development | 2,421,530 | | 302,664 | 2,724,194 |
| Environmental protection | 3,120,703 | | 56,940 | 3,177,643 |
| Human services | 29,792,720 | | | 29,792,720 |
| Culture and recreation | 1,750,287 | | | 1,750,287 |
| Intergovernmental: | | | | |
| Education | 25,367,392 | | | 25,367,392 |
| Capital outlay | | 14,059,601 | 4,614,444 | 18,674,045 |
| Debt service: | | | | |
| Principal | 6,811,449 | | | 6,811,449 |
| Bond issuance costs | | 592,337 | | 592,337 |
| Interest and other charges | 4,308,801 | - | - | 4,308,801 |
| Total expenditures | <u>100,677,616</u> | <u>14,651,938</u> | <u>10,618,503</u> | <u>125,948,057</u> |
| Excess (deficiency) of revenues over expenditures | <u>3,538,062</u> | <u>(13,324,979)</u> | <u>(3,636,599)</u> | <u>(13,423,516)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Debt issued | | 35,770,000 | 5,425,000 | 41,195,000 |
| Premium on debt issuance | | 171,669 | | 171,669 |
| Transfers from other funds | 4,254,143 | | 3,387,950 | 7,642,093 |
| Transfers to other funds | (2,965,950) | (2,143,500) | (2,532,643) | (7,642,093) |
| Total other financing sources and uses | <u>1,288,193</u> | <u>33,798,169</u> | <u>6,280,307</u> | <u>41,366,669</u> |
| Net change in fund balances | 4,826,255 | 20,473,190 | 2,643,708 | 27,943,153 |
| Fund balances - beginning | 36,786,363 | - | 6,959,146 | 43,745,509 |
| Fund balances - ending | <u>\$ 41,612,618</u> | <u>\$ 20,473,190</u> | <u>\$ 9,602,854</u> | <u>\$ 71,688,662</u> |

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

Randolph County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2007

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

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Net changes in fund balances - total governmental funds | \$ 27,943,153 |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. | (859,028) |
| Net book value of capital assets disposed of during the year, not recognized on modified accrual basis. | (6,282) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | 49,263 |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | (34,405,144) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | <u>(1,496,376)</u> |
| Total changes in net assets of governmental activities | <u>\$ (8,774,414)</u> |

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

Randolph County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2007

| | General Fund | | | Variance With Final Positive (Negative) |
|-----------------------------------------------------------------------------------------|--------------------|--------------------|----------------------|--------------------------------------------------|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Ad valorem taxes | \$ 46,311,750 | \$ 46,311,750 | \$ 47,322,541 | \$ 1,010,791 |
| Local option sales tax | 23,080,000 | 23,080,000 | 24,373,320 | 1,293,320 |
| Other taxes and licenses | 654,000 | 654,000 | 1,180,805 | 526,805 |
| Unrestricted intergovernmental | 56,900 | 56,900 | 265,406 | 208,506 |
| Restricted intergovernmental | 16,371,819 | 18,005,093 | 17,557,649 | (447,444) |
| Permits and fees | 2,507,250 | 2,507,250 | 1,935,104 | (572,146) |
| Sales and services | 8,067,182 | 8,109,716 | 8,542,506 | 432,790 |
| Investment earnings | 1,695,000 | 1,695,000 | 2,351,737 | 656,737 |
| Miscellaneous | 443,073 | 551,050 | 686,610 | 135,560 |
| Total revenues | <u>99,186,974</u> | <u>100,970,759</u> | <u>104,215,678</u> | <u>3,244,919</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 9,036,780 | 10,229,684 | 8,510,353 | 1,719,331 |
| Public safety | 18,442,048 | 19,033,138 | 18,594,381 | 438,757 |
| Economic and physical development | 2,038,497 | 3,600,975 | 2,421,530 | 1,179,445 |
| Environmental protection | 3,477,923 | 3,653,153 | 3,120,703 | 532,450 |
| Human services | 29,353,652 | 30,834,294 | 29,792,720 | 1,041,574 |
| Culture and recreation | 1,751,237 | 1,783,782 | 1,750,287 | 33,495 |
| Intergovernmental: | | | | |
| Education | 25,356,859 | 25,426,859 | 25,367,392 | 59,467 |
| Debt service: | | | | |
| Principal retirement | 6,694,228 | 6,811,449 | 6,811,449 | - |
| Interest and other charges | 4,399,733 | 4,336,860 | 4,308,801 | 28,059 |
| Total expenditures | <u>100,550,957</u> | <u>105,710,194</u> | <u>100,677,616</u> | <u>5,032,578</u> |
| Revenues over (under) expenditures | <u>(1,363,983)</u> | <u>(4,739,435)</u> | <u>3,538,062</u> | <u>8,277,497</u> |
| Other financing sources (uses): | | | | |
| Transfers from other funds | 1,492,015 | 4,254,144 | 4,254,143 | (1) |
| Transfers to other funds | <u>(2,293,450)</u> | <u>(2,965,950)</u> | <u>(2,965,950)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(801,435)</u> | <u>1,288,194</u> | <u>1,288,193</u> | <u>(1)</u> |
| Fund Balance Appropriated | <u>2,165,418</u> | <u>3,451,241</u> | <u>-</u> | <u>3,451,241</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ -</u> | <u>4,826,255</u> | <u>\$ 4,826,255</u> |
| Fund balances: | | | | |
| Beginning of year, July 1 | | | <u>36,786,363</u> | |
| End of year, June 30 | | | <u>\$ 41,612,618</u> | |

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

**Randolph County, North Carolina
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2007**

| | Pension Trust Fund | Agency Funds |
|-------------------------------------------|--------------------------|-----------------|
| Assets | | |
| Cash and cash equivalents | \$ 263,009 | \$ 171,816 |
| Receivables, net | 2,854 | 15,318 |
| Taxes receivable, net | - | 779,195 |
| Due from General Fund | - | 283,008 |
| Total assets | 265,863 | 1,249,337 |
| Liabilities and Net Assets | | |
| Liabilities: | | |
| Miscellaneous liabilities | 68 | 168,361 |
| Intergovernmental payables | - | 1,068,747 |
| Due to General Fund | - | 12,229 |
| Total liabilities | 68 | 1,249,337 |
| Net assets: | | |
| Assets held in trust for pension benefits | \$ 265,795 | \$ - |

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

Randolph County, North Carolina
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For The Fiscal Year Ended June 30, 2007

| | |
|--------------------------------|--------------------------|
| Additions: | |
| Contributions: | |
| Employer contributions | \$ 30,412 |
| Investment income: | |
| Interest | <u>14,122</u> |
| Total additions | <u>44,534</u> |
| Deductions: | |
| Benefits | 43,384 |
| Administrative expense | <u>412</u> |
| Total deductions | <u>43,796</u> |
| Change in net assets | 738 |
| Net assets - beginning of year | <u>265,057</u> |
| Net assets - end of year | <u><u>\$ 265,795</u></u> |

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



Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

I. Summary of Significant Accounting Policies

The accounting policies of Randolph County (the 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. Randolph County Industrial Facility and Pollution Control Financing Authority (the *Financing Authority*) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Financing Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The Randolph County Tourism Development Authority, which has a June 30 year-end, is presented as if it is a separate governmental fund of the County (discrete presentation).

| Component Unit | Reporting Method | Criteria for Inclusion | Separate Financial Statements |
|-------------------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| Randolph 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. |
| Randolph County Tourism Development Authority | Discrete | The Randolph County Tourism Development Authority was created to promote travel and tourism within the County. Its primary revenue is a room occupancy tax. The County is financially accountable for the Authority. The Authority is governed by a nine-member board, all of which are appointed by the Randolph County Board of Commissioners. Randolph County collects the occupancy tax for the Authority, and performs administrative functions. However, the County does not provide any direct financial support to the Authority. | Randolph County Tourism Development Authority 222 Sunset Avenue Suite 107 Asheboro, N.C. 27203 |

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

I. Summary of Significant Accounting Policies (continued)

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. However, Randolph County currently does not operate any business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues 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. Separate statements for each fund category – *governmental and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

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.

County Schools Capital Project Fund. This fund accounts for the acquisition of property and construction of two county high schools, to be financed through installment purchase contracts.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

I. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation, Basis of Accounting (continued)

The County reports the following fund types:

Pension Trust Fund. The County had one Pension Trust Fund, the Special Separation Allowance Fund, that accounts for the Law Enforcement Officers' Special Separation Allowance, a single-employer, public employee retirement system.

Agency Funds. Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Social Services Custodial Fund, which accounts for monies deposited with the Department of Social Services for the benefit of certain individuals; the Fines and Forfeitures Fund – Public Schools, which accounts for various legal fines and forfeitures that the County is required to remit to Randolph County and Asheboro City Boards of Education; the Fines and Forfeitures Fund – State of NC, which accounts for the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles; the Municipal Tax Districts Funds and the School Tax Districts Funds, which account for ad valorem property taxes that are billed and collected by the County for the respective municipalities and special school districts within the County; the Town Library Fund which accounts for monies held by the County as trustee for certain town libraries in the County; and the Detention Center Commissary Fund, which accounts for monies held by the County as agent for inmates of the Detention Center.

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 and Fiduciary Fund Financial Statements. The government-wide 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 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.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

I. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation, Basis of Accounting (continued)

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.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Randolph 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 2006 through February 2007 apply to the fiscal year ended June 30, 2007. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements. In addition, as of January 1, 2006, State law implemented a staggered expiration date system for annually registered vehicles as part of the conversion into the staggered registration. Originally, annual registration expired December 31st each year with taxes due by May 1st of the following year. To transition from the staggered into the annual registration, the initial 2007 registration renewals will vary from 7 to 18 months after December 31, 2006. Once these initial renewals have expired, all vehicles that were previously annually registered will be in the staggered system.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

I. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation, Basis of Accounting (concluded)

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 activities 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 Emergency Telephone System, Fire Districts, and Landfill Closure Special Revenue Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Capital Reserve Special Revenue Fund, the Economic Development Reserve, the Randleman Dam Capital Project Fund, the Asheboro City Schools Capital Project Fund, the Randolph County Schools Project Fund, the Seagrove Library Capital Project Fund, and the Technology Capital Project Fund. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the object level for the multi-year funds. The County Manager is authorized to transfer appropriations within a department; however, all revisions that alter the total expenditures of any department must be approved by the governing board. 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.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

I. Summary of Significant Accounting Policies (continued)

C. Budgetary Data (concluded)

During the year, several amendments to the original budget were necessary.

| | |
|----------------------------------------|--------------|
| Encumbrance carryovers from prior year | \$ 2,942,325 |
| Federal and State grants: | |
| Social Service programs | 1,168,491 |
| Health programs | 212,025 |
| Transfer to Technology Capital Project | 600,000 |
| Economic Development incentives | 230,997 |
| Sheriff's Restricted Funds | 284,130 |
| Other amendments | 393,769 |
| | \$ 5,831,737 |

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

All deposits of the County and Randolph County Tourism Development Authority are made in board-designated official depositories and are secured as required by G.S. 159-31. The County and the Tourism Development Authority may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County and the Tourism Development Authority 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 Tourism Development Authority to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

The 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.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Fund Equity (continued)

2. Cash and Cash Equivalents

The County pools monies from several funds, except the Pension Trust 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. The Randolph County Tourism Development Authority 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.

3. Restricted Assets

The unexpended proceeds from certificates of participation are classified as restricted assets within the City and County Schools Capital Project Funds because their use is completely restricted to the purpose for which the debt was originally issued. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected.

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2006. 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.

5. 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.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Fund Equity (continued)

6. Prepaid Items

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. These costs are recorded as expenditures when consumed.

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Minimum capitalization costs are \$5,000 for the following types of assets: land, buildings, land improvements, equipment, and vehicles. 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 Randolph County Board of Education and Randolph Community College 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 and the College give these organizations 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 them, 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 Randolph County Board of Education and the Randolph Community College, respectively.

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

- Buildings - 40 years
- Improvements - 15 years
- Furniture and equipment – 10 years
- Computer equipment – 3 years
- Vehicles – 5 years

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Fund Equity (continued)

8. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental 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 another financing source.

9. Compensated Absences

The vacation policies of the County and the Tourism Development Authority 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 funds and the Tourism Development Authority, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The sick leave policies of the County and the Tourism Development Authority 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 none of the entities have 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.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Fund Equity (continued)

10. Net Assets/Fund Balances

Net Assets

Net assets in government-wide 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 externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balances

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

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

The governmental fund types classify fund balances as follows:

Reserved:

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

Reserved for encumbrances - portion of fund balance available to pay for any commitments related to purchase orders and contracts that remain unperformed at year-end.

Unreserved:

Designated for subsequent year expenditures - portion of total fund balance available for appropriation that has been designated for the adopted 2007-2008 budget ordinance.

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

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

I. Summary of Significant Accounting Policies (continued)

E. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes 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 \$ (65,454,374) consists of several elements as follows:

| Description | Amount |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column) | \$ 53,253,761 |
| Less Accumulated Depreciation | <u>(18,001,964)</u> |
| Net Capital Assets | <u>35,251,797</u> |
| Water rights is an intangible asset reported in governmental activities, but is not a financial resource and is therefore not reported in the fund statements | 17,021,952 |
| Deferred charges related to debt issuance costs - included on government-wide statement of net assets but are not current financial resources | 1,346,451 |
| 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 | 40,509 |
| Liabilities for revenue deferred but earned and therefore recorded in the fund statements but not the government-wide statements | 4,431,447 |
| Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements: | |
| Bonds, capital leases, and installment financing | (117,419,401) |
| Accrued interest payable | (1,098,913) |
| Compensated absences | (1,876,959) |
| Net pension obligation | (536,416) |
| Medical claims incurred but not reported | (709,000) |
| Accrued landfill post-closure costs | <u>(1,905,841)</u> |
| Total Adjustment | <u>\$ (65,454,374)</u> |

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

I. Summary of Significant Accounting Policies (continued)

E. Reconciliation of Government-wide and Fund Financial Statements (continued)

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$(36,717,567) as follows:

(continued on next page)

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

I. Summary of Significant Accounting Policies (continued)

E. Reconciliation of Government-wide and Fund Financial Statements (continued)

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| Capital outlay expenditures recorded in the fund statements but capitalized as assets in the government-wide statement of net assets | \$ 1,385,607 |
| 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. | (2,250,645) |
| New debt issued during year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net assets | (41,195,000) |
| Premium received on debt issued is recorded as a source of funds on the fund statements but deferred on the government-wide statements | (171,669) |
| 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 | 6,811,449 |
| Debt issuance costs are recorded as a use of funds on the fund statements but deferred and amortized on the government-wide statements | 597,337 |
| 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) | (1,037,094) |
| Amortization of refunding costs not recorded on fund statements | (109,103) |
| Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources | (207,018) |
| Increase in net pension obligation | (89,778) |
| Landfill post-closure costs are accrued in the government-wide statements but not in the fund statements because they do not use current resources | 3,228 |
| Cost of capital assets disposed of during the year | (6,282) |
| Increase in medical claims reserve | (352,000) |
| Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements: | |
| Fair value of assets donated that is not recorded in the fund statements but is recorded in the government-wide statements | 6,010 |
| Reversal of deferred tax revenue recorded at 7/1/06 | (1,767,661) |
| Recording of tax receipts deferred in the fund statements as of 6/30/07 | 1,759,067 |
| Increase in accrued interest on taxes receivable | (83,414) |
| Reversal of deferred service revenues recorded at 7/1/06 | (2,682,981) |
| Recording of service fees deferred in the fund statements as of 6/30/07 | 2,672,380 |
| Total adjustment | <u>\$ (36,717,567)</u> |

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

II. Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's and the Tourism Development Authority'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 and the Tourism Development Authority'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 Tourism Development Authority, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the Tourism Development Authority or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the Tourism Development Authority under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County and Authority rely on the State Treasurer to monitor those 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.

At June 30, 2007, the County's deposits had a carrying amount of \$ 37,641,753 and a bank balance of \$ 40,127,048. Of the bank balance, \$ 524,124 was covered by federal depository insurance, and \$ 39,602,924 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2007, Randolph County had \$4,801 cash on hand.

At June 30, 2007, the carrying amount of deposits for Randolph County Tourism Development Authority was \$ 293,170 and the bank balance was \$ 302,370. All of the bank balance was covered by collateral held under the Pooling Method.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

II. Detail Notes on All Funds (continued)

A. Assets (continued)

2. Investments

At June 30, 2007, the County's investments consisted of \$ 31,932,817 in the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The County has no policy on credit risk.

3. Receivables

Receivables at the government-wide level at June 30, 2007 were as follows:

| | Accounts | Taxes and Related Accrued Interest | Due from Other Governments | Total |
|---------------------------------|---------------------|---------------------------------------------|----------------------------------|----------------------|
| Governmental Activities: | | | | |
| General | \$ 5,942,588 | \$ 2,045,262 | \$ 8,768,933 | \$ 16,756,783 |
| Other Governmental | 183,008 | 206,913 | 335,370 | 725,291 |
| Total receivables | 6,125,596 | 2,252,175 | 9,104,303 | 17,482,074 |
| Allowance for doubtful accounts | <u>(3,576,000)</u> | <u>(452,600)</u> | <u>-</u> | <u>(4,028,600)</u> |
| Total-governmental activities | <u>\$ 2,549,596</u> | <u>\$ 1,799,575</u> | <u>\$ 9,104,303</u> | <u>\$ 13,453,474</u> |

The County's accounts receivable are presented net of the allowance for uncollectible accounts of:

| | |
|--------------------------------------------|---------------------|
| Ambulance Billings | \$ 3,501,700 |
| Landfill tipping fees | 8,300 |
| Health service fees | <u>66,000</u> |
| Total allowance for uncollectible accounts | <u>\$ 3,576,000</u> |

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

| | |
|-------------------------------------|---------------------|
| Local option sales tax | \$ 6,190,826 |
| Social service grant reimbursements | 1,487,569 |
| Health grants | 252,629 |
| Refund of sales and use tax | 340,202 |
| Other | <u>833,077</u> |
| Total due from other governments | <u>\$ 9,104,303</u> |

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

II. Detail Notes on All Funds (continued)

A. Assets (continued)

4. Notes Receivable

As permitted by G.S. 160A-20(1), the County advanced funds to local governments to assist in the construction of water and sewer lines. The Town of Ramseur was advanced a total of \$315,000, payable \$19,687 semi-annually over eight years. The note did not have any stated interest.

The note from Davidson Water, Inc. was a loan to construct water lines in the Glenola area of Randolph County. The funds were provided by a State Clean Drinking Water Revolving Loan to the County. The terms for Davidson Water are the same as the repayment terms for the state's loan to the County.

A summary of changes in notes receivable follows:

| | Balance July 1, 2006 | Advances | Adjustments and Collections | Balance June 30, 2007 |
|----------------------|----------------------------|-------------|-----------------------------------|-----------------------------|
| Due from: | | | | |
| Town of Ramseur | \$ 31,250 | \$ - | \$ 31,250 | \$ - |
| Town of Ramseur | 8,125 | | 8,125 | - |
| Davidson Water, Inc. | <u>645,330</u> | - | <u>43,022</u> | <u>602,308</u> |
| | <u>\$ 684,705</u> | <u>\$ -</u> | <u>\$ 82,397</u> | <u>\$ 602,308</u> |

5. 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.

| Year Levied | Tax | Interest | Total |
|-------------|------------|------------|--------------|
| 2004 | \$ 974,443 | \$ 231,430 | \$ 1,205,873 |
| 2005 | 1,061,593 | 148,623 | 1,210,216 |
| 2006 | 1,130,636 | 65,012 | 1,195,648 |
| 2007 | 2,084,346 | | 2,084,346 |

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

II. Detail Notes on All Funds (continued)

A. Assets (concluded)

6. Capital Assets

Capital asset activity for the year ended June 30, 2007, was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---------------------------------------------|-----------------------|---------------------|-------------------|----------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 2,937,830 | \$ - | \$ - | \$ 2,937,830 |
| Construction in progress | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total capital assets not being depreciated | <u>2,937,830</u> | <u>-</u> | <u>-</u> | <u>2,937,830</u> |
| Capital assets being depreciated: | | | | |
| Buildings | 36,684,522 | 246,157 | | 36,930,679 |
| Land improvements | 450,695 | 19,154 | | 469,849 |
| Equipment | 6,763,782 | 323,796 | | 7,087,578 |
| Vehicles and motor equipment | <u>5,362,398</u> | <u>802,510</u> | <u>337,083</u> | <u>5,827,825</u> |
| Total capital assets being depreciated | <u>49,261,397</u> | <u>1,391,617</u> | <u>337,083</u> | <u>50,315,931</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 8,917,643 | 913,694 | | 9,831,337 |
| Land improvements | 170,788 | 26,470 | | 197,258 |
| Equipment | 3,363,633 | 707,371 | | 4,071,004 |
| Vehicles and motor equipment | <u>3,630,056</u> | <u>603,110</u> | <u>330,801</u> | <u>3,902,365</u> |
| Total accumulated depreciation | <u>16,082,120</u> | <u>\$ 2,250,645</u> | <u>\$ 330,801</u> | <u>18,001,964</u> |
| Total capital assets being depreciated, net | <u>33,179,277</u> | | | <u>32,313,967</u> |
| Governmental activity capital assets, net | <u>\$ 36,117,107</u> | | | <u>\$ 35,251,797</u> |

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

| | |
|-----------------------------------|---------------------|
| General government | \$ 973,271 |
| Public safety | 1,077,500 |
| Economic and physical development | 18,791 |
| Environmental protection | 46,651 |
| Human services | 74,012 |
| Cultural and recreational | <u>60,420</u> |
| Total depreciation expense | <u>\$ 2,250,645</u> |

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

II. Detail Notes on All Funds (continued)

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2007, were as follows:

| | Vendors | Salaries and Benefits | Accrued Interest | Total |
|---------------------------------|---------------------|--------------------------|---------------------|---------------------|
| Governmental Activities: | | | | |
| General | \$ 1,989,647 | \$ 271,929 | \$ 1,098,913 | \$ 3,360,489 |
| Other Governmental | <u>41,756</u> | <u>1,667</u> | <u>-</u> | <u>43,423</u> |
| Total - governmental activities | <u>\$ 2,031,403</u> | <u>\$ 273,596</u> | <u>\$ 1,098,913</u> | <u>\$ 3,403,912</u> |

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. Randolph County and the Randolph County Tourism Development Authority 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.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

2. Pension Plan Obligations (continued)

a. Local Governmental Employees' Retirement System (concluded)

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The County and the Randolph County Tourism Development Authority are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.80% and 4.64%, respectively, of annual covered payroll. For the Authority, the current rate for employees not engaged in law enforcement is 4.80% of annual covered payroll. The contribution requirements of members and of Randolph County and the Randolph County Tourism Development Authority are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2007, 2006, and 2005 were \$ 1,133,352, \$ 1,049,509, and \$ 998,555, respectively. The Authority's contributions to LGERS for the years ended June 30, 2007, 2006, and 2005 were \$2,257, \$3,449, and \$2,311, respectively. The contributions made by the County and the Tourism Development Authority equaled the required contributions for each year.

b. Law Enforcement Officers' Special Separation Allowance

(1) Plan Description.

Randolph County administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Separation Allowance is reported in the County's report as a pension trust fund; no separate financial statements are issued.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

2. Pension Plan Obligations (continued)

b. Law Enforcement Officers' Special Separation Allowance (continued)

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2006, the Separation Allowance's membership consisted of:

| | |
|--------------------------------------------------------------------|-----|
| Retirees receiving benefits | 4 |
| Terminated plan members entitled to but not yet receiving benefits | - |
| Active plan members | 151 |
| Total | 155 |

(2) *Summary of Significant Accounting Policies.*

Basis of Accounting. Financial statements for the Separation Allowance are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and when the County has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments. Investments are reported at fair value. Short-term money market debt instruments, deposits, and repurchase agreements, are reported at cost or amortized cost, which approximates fair value. Certain longer term United States Government and United States Agency securities are valued at the last reported sales price.

(3) *Contributions.*

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making a fixed contribution, rather than one based on actuarial valuations. For the current year, the County contributed \$30,000, or .58% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

The annual required contribution for the current year was determined as part of the December 31, 2005 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.5% to 12.3% per year.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

2. Pension Plan Obligations (continued)

b. Law Enforcement Officers' Special Separation Allowance (continued)

Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2005 was 25 years.

| For Year Ended June 30 | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|---------------------------|------------------------------|----------------------------------|---------------------------|
| 2005 | \$ 106,461 | 4.70% | \$ 376,318 |
| 2006 | 123,320 | 42.98% | 446,638 |
| 2007 | 119,778 | 25.05% | 536,416 |

(4) *Annual Pension Cost and Net Pension Obligation.*

The separation allowance annual pension cost (APC) consists of the annual required contribution (ARC), plus interest on the beginning of the year net pension obligation (NPO), minus an adjustment equal to the amortization of the beginning of the year NPO. The APC for the fiscal year ended June 30, 2007 was as follows:

| | |
|------------------------------------|-------------------|
| Annual Required Contribution (ARC) | \$ 114,126 |
| Interest on NPO | 32,381 |
| Adjustment to NPO | <u>(26,729)</u> |
| Annual Pension Cost (APC) | <u>\$ 119,778</u> |

The Net Pension Obligation as of June 30, 2007 was as follows:

| | |
|-------------------------------|-------------------|
| NPO, beginning of year | \$ 446,638 |
| Annual Pension Cost (APC) | 119,778 |
| Actual Contribution | <u>(30,000)</u> |
| NPO, End of Year | <u>\$ 536,416</u> |
| Percentage of APC Contributed | <u>25.05%</u> |

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

2. Pension Plan Obligations (continued)

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.

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, 2007 were \$358,937, which consisted of \$285,841 from the County and \$73,096 from the law enforcement officers.

d. Registers of Deeds' Supplemental Pension Fund

Plan Description. Randolph County also contributes to the Registers of Deeds' Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county register of deeds 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.

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to four and one-half percent (4.5%) 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, 2007, the County's required and actual contributions were \$33,831.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

2. Pension Plan Obligations (continued)

e. Other Post employment Benefits

According to a County resolution, the County provides health care benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least ten years of creditable service with the County. The County pays a sliding percentage of the cost for these benefits, depending on length of service. Retirees are responsible for the remaining cost of premiums. Currently 22 retirees are eligible for postretirement health benefits. For the fiscal year ended June 30, 2007, the County made payments for postretirement health benefit premiums of \$62,562. The County is self-insured for health care costs.

f. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount. The County considers these contributions to be immaterial.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

3. Closure and Postclosure Care Costs - Landfill Facility

State and federal laws and regulations require the County to place a final cover on its Landfill Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County closed its only landfill on December 31, 1997. Subsequent to that date, solid waste collections are transferred to a privately operated facility. In 2000, the County completed the closure requirements for the finished landfill.

The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that helps determine if a unit is financially able to meet closure and postclosure care requirements. However, the County has also elected to establish a reserve fund to accumulate resources for the payment of closure and postclosure care costs. Landfill Closure fund balance available at June 30, 2007 exceeded the accrued postclosure cost liability of \$1,905,841. The County expects that future inflation costs will be paid from the interest earnings on these designated funds. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future tax revenues.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

4. Deferred / Unearned Revenues

The balance in deferred revenue 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 |
|------------------------------------------------------|---------------------|---------------------|
| Prepaid taxes not yet earned (General) | \$ - | \$ 267,082 |
| Prepaid taxes not yet earned (Special Revenue) | | 30,455 |
| Deferred annuity on Drinking Water Loan (General) | | 115,765 |
| Other collections (General) | 126,952 | 42,528 |
| Prepaid contribution for share of construction costs | | 172,250 |
| Taxes receivable, net (General) | 1,576,753 | |
| Taxes receivable, net (Special Revenue) | 182,313 | |
| Ambulance service receivables, net (General) | 1,683,921 | |
| Health service receivables, net (General) | 44,080 | |
| Landfill tipping fees receivable, net (General) | 212,952 | |
| Dog license receivables (General) | 2,168 | |
| Notes receivable (General) | 602,308 | - |
| Total | <u>\$ 4,431,447</u> | <u>\$ 628,080</u> |

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

5. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in three self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$150 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, and health insurance for county employees. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Two of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$750,000 of aggregate annual losses in excess of \$250,000 per occurrence for property, auto physical damage, and crime coverage, and single occurrence losses of \$350,000 for workers' compensation. For health insurance, the county is reinsured through the Pool for individual losses in excess of \$50,000 and aggregate annual losses in excess of 120% of expected claims. The pool is reinsured through commercial carrier for individual losses in excess of \$500,000.

The Randolph County Multi-jurisdictional Hazard Mitigation Plan, completed in August 2004, inventoried all County-owned property and determined that no County property was located in a Flood Plain. Accordingly, Randolph County has not obtained flood insurance on any of its property.

County employees are bonded in accordance with NC General Statutes. The Finance Officer is individually bonded for \$100,000 and the Tax Collector is individually bonded for \$200,000. Deputy finance officers and deputy tax collectors are each individually bonded for \$100,000. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

The County carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

At June 30, 2007, the County had a balance owed of \$24,914 for a medical self-insurance account with its independent medical claims administrator; there is also a potential liability of \$709,000 for estimated self-insurance claims incurred but not reported.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

5. Risk Management (concluded)

Changes in aggregate liabilities for medical insurance during the past two years is as follows:

| | Fiscal Year Ending <u>June 30, 2007</u> | Fiscal Year Ending <u>June 30, 2006</u> |
|------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Beginning of year claims liability | \$ 357,000 | \$ 498,024 |
| Claims incurred | 4,367,099 | 3,194,582 |
| Payments | <u>(4,015,099)</u> | <u>(3,335,606)</u> |
| End of year claims liability | <u>\$ 709,000</u> | <u>\$ 357,000</u> |

The Randolph County Tourism Development Authority 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 Authority is included under Randolph County's insurance for property, general liability, auto liability, workers' compensation, and employee health coverage.

6. Contingent Liabilities

At June 30, 2007, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

7. Long-Term Obligations

a. Capital Lease

On March 25, 2002, the County entered into an agreement to lease certain telephone equipment. The lease agreement qualified as a capital lease for accounting purposes and, therefore, was recorded at the present value of the future minimum lease payments as of the date of its inception. The agreement required an initial payment of \$24,192 at closing, \$20,360 in the first month, and 57 monthly payments of \$12,096 in the remaining years. At June 30, 2007, the County had completed payments on the capital lease.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

7. Long-Term Obligations (continued)

b. Note Payable – Revolving Loan

In 1999, the County received an \$860,440 State Clean Drinking Water Revolving Loan granted for the development of water lines to an area of the County. The funds were provided to Davidson Water, Inc., who will repay the County under the same repayment terms as those under the state loan. The agreement was executed on May 1, 2002 and requires twenty annual payments of \$43,022, plus interest at 2.550%. The debt service requirements of the loan as of June 30, 2007 are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> |
|-----------------------------|-------------------|-------------------|
| 2008 | \$ 43,022 | \$ 15,359 |
| 2009 | 43,022 | 14,262 |
| 2010 | 43,022 | 13,165 |
| 2011 | 43,022 | 12,068 |
| 2012 | 43,022 | 10,970 |
| 2013-2017 | 215,110 | 38,397 |
| 2018-2021 | <u>172,088</u> | <u>10,970</u> |
| Totals | <u>\$ 602,308</u> | <u>\$ 115,191</u> |

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

7. Long-Term Obligations (continued)

c. Installment Purchases

As authorized by State law (G.S. 160A-20 and 153A-158.1), the County financed various property acquisitions for use by Randolph County Board of Education during the fiscal year ended June 30, 1996, by installment purchase. The installment purchase was issued pursuant to a deed of trust, which requires that legal title remain with the County as long as the debt is outstanding. The County has entered into a lease with Randolph County Board of Education, which 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 are recorded by the Board of Education.

The installment purchase was executed on November 15, 1995, for various property improvements for use by Randolph County Board of Education and the Randolph County Mental Health Program. The transaction required principal payments by the County ranging from \$1,370,000 in 2003 to \$2,365,000 in 2015 and semi-annual interest payments at rates from 4.50% to 5.3%. This debt was included as part of the advance refunding conducted in December 2003. As of June 30, 2007, there is no remaining outstanding obligation under this agreement.

A second installment purchase was issued in April 2000 and is also authorized by G.S. 160A-20 and 153A-158.1. The County financed the acquisition, construction and renovation of facilities for the Asheboro City and Randolph County Boards of Education, the Randolph Community College, and the Randolph County Courthouse. The installment purchase was issued pursuant to a deed of trust which requires that legal title for certain Randolph County Board of Education and Randolph Community College property remain with the County as long as the debt is outstanding. The County has entered into leases with the Randolph County Board of Education and Randolph Community College, which transfer the rights and responsibilities for maintenance and insurance of the properties to them. The leases call for

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

7. Long-Term Obligations (continued)

c. Installment Purchases (continued)

nominal annual lease payments and also contain 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 Boards of Education and the RCC projects are recorded by those organizations.

The installment purchase required principal payments, which increased from \$925,000 in 2003 to \$3,235,000 through 2022. Semi-annual interest payments have rates ranging from 5.0% to 5.75%. This debt was included as part of the advance refunding conducted in March and May 2004. As of June 30, 2007, only \$4,650,000 remained as outstanding obligations under this agreement, to be retired over the next two years.

The 2003 installment purchase requires principal payments, which increase from \$195,000 in 2004 to \$2,510,000 through 2018. Semi-annual interest payments have rates ranging from 2.0% to 5.0%.

The 2004 installment purchase requires principal payments, which increase from \$245,000 in 2005 to \$3,350,000 through 2015. Semi-annual interest payments have rates ranging from 2.0% to 5.0%.

The 2004A installment purchase requires principal payments, which increase from \$135,000 in 2005 to \$3,410,000 through 2022. Semi-annual interest payments have rates ranging from 2.0% to 5.0%.

A sixth installment purchase was issued in January 2005 to finance the acquisition of additional water rights in the Randleman Lake, construction of a new library, and renovation to two other county office buildings. Biannual payments of \$330,000 are required, including interest of 3.59%.

A final installment purchase was issued in August 2006 and is also authorized by G.S. 160A-20 and 153A-158.1. The County financed the acquisition, construction and renovation of facilities for the Asheboro City and Randolph County Boards of Education. The installment purchase was issued pursuant to a deed of trust which requires that legal title for certain Randolph County Board of Education property remain with the County as long as the debt is outstanding. The County has entered into leases with the Randolph County and Asheboro City Boards of Education, which transfer the rights and responsibilities for maintenance and

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

7. Long-Term Obligations (continued)

c. Installment Purchases (concluded)

insurance of the properties to them. The leases call for nominal annual lease payments and also contain 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 Boards of Education are recorded by those organizations.

The installment purchase requires principal payments of \$2,060,000 from 2008 to 2026 and \$2,055,000 in 2027. Semi-annual interest payments have rates ranging from 4.0% to 5.0%.

The debt service requirements for installment purchases as of June 30, 2007, are:

| <u>Year Ending June 30</u> | <u>Governmental Activities</u> | |
|----------------------------|--------------------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2008 | \$ 7,042,731 | \$ 4,744,183 |
| 2009 | 7,404,854 | 4,425,160 |
| 2010 | 7,607,599 | 4,100,040 |
| 2011 | 7,785,985 | 3,858,021 |
| 2012 | 8,315,037 | 3,602,095 |
| 2013-2017 | 37,812,329 | 12,975,003 |
| 2018-2022 | 27,040,000 | 5,804,657 |
| 2023-2027 | 10,295,000 | 1,335,331 |
| Totals | <u>\$ 113,303,535</u> | <u>\$ 40,844,490</u> |

d. Advance Refundings

In a prior year, the County defeased certain certificates of participation by placing the proceeds of new debt in irrevocable trusts to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased certificates are not included in the County's financial statements. On June 30, 2007, \$40,815,000 of outstanding certificates of participation are considered defeased.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

7. Long-Term Obligations (continued)

e. General Obligation Indebtedness

All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit, and taxing power of the County. Principal and interest payments are appropriated when due.

The County's general obligation bonds payable at June 30, 2007 are comprised of the following individual issue serviced by the County's General Fund:

\$23,465,000 1998 School Facility Refunding Bonds due on May 1 in installments from \$605,000 to \$2,370,000 through May 1, 2010, plus interest ranging from 4.20 to 5.00 percent. \$ 6,050,000

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

| | Governmental Activities | |
|------------------------|-------------------------|------------|
| Year Ending June 30 | Principal | Interest |
| 2008 | \$ 2,175,000 | \$ 291,625 |
| 2009 | 2,140,000 | 193,750 |
| 2010 | 1,735,000 | 86,750 |
| Total | \$ 6,050,000 | \$ 572,125 |

At June 30, 2007, Randolph County had no bonds authorized but unissued and a legal debt margin of \$589,085,402.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

II. Detail Notes on All Funds (continued)

B. Liabilities (continued)

7. Long-Term Obligations (concluded)

f. 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, 2007:

| | Balance June 30, 2006 | Increases | Decreases | Balance June 30, 2007 | Current Portion of Balance |
|------------------------------------|--------------------------|----------------------|----------------------|--------------------------|-------------------------------|
| Governmental activities: | | | | | |
| General obligation debt | \$ 8,260,000 | \$ - | \$ 2,210,000 | \$ 6,050,000 | \$ 2,175,000 |
| Installment purchase | 76,549,741 | 41,195,000 | 4,441,206 | 113,303,535 | 7,042,731 |
| Unamortized premium on debt | 2,329,886 | 171,669 | 294,952 | 2,206,603 | 291,458 |
| Deferred Charge on Refunding | (5,376,155) | | (633,110) | (4,743,045) | (615,462) |
| Note Payable - State of NC | 645,330 | | 43,022 | 602,308 | 43,022 |
| Capitalized leases | 117,221 | | 117,221 | - | |
| Compensated absences | 1,669,941 | 1,595,660 | 1,388,642 | 1,876,959 | 1,388,642 |
| Net pension obligation | 446,638 | 119,778 | 30,000 | 536,416 | - |
| Accrued medical claims | 357,000 | 4,367,099 | 4,015,099 | 709,000 | 709,000 |
| Accrued landfill postclosure costs | 1,909,069 | - | 3,228 | 1,905,841 | 86,500 |
| Total governmental activities | <u>\$ 86,908,671</u> | <u>\$ 47,449,206</u> | <u>\$ 11,910,260</u> | <u>\$ 122,447,617</u> | <u>\$ 11,120,891</u> |

Compensated absences, the net pension obligation, and accrued medical claims typically have been liquidated in the General Fund.

g. Conduit Debt Obligations

Randolph County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2007, there was one series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$1.9 million.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

II. Detail Notes on All Funds (continued)

C. Interfund Balances and Activity

1. Transfers to/from other funds

Transfers to/from other funds during the fiscal year ended June 30, 2007, consist of the following:

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| From the General Fund to the 1995 Capital Reserve - Mental Health and County Schools Facilities Fund to accumulate resources for the payment of obligations on the above leased properties | \$1,442,950 |
| From the General Fund to the Economic Development Reserve Fund to accumulate resources for site development and incentives | 850,500 |
| From the General Fund to the Asheboro City Schools Capital Project Fund for county match on school construction grant | 72,500 |
| From the General Fund to the Technology Capital Project to transfer appropriations for improvements to county technology | 600,000 |
| From the Asheboro City Schools Capital Project Fund to the General Fund to repay advanced monies for school construction | 809,632 |
| From the Randolph County Schools Capital Project Fund to the General Fund to repay advanced monies for school construction | 1,721,500 |
| From the Randolph County Schools Capital Project Fund to the Rural Water Infrastructure Capital Project Fund to finance a portion of a water line to two schools | 422,000 |
| From the 1995 Capital Reserve - Mental Health and County Schools Facilities Fund to the General Fund to transfer resources for the payment of obligations on the above leased properties | 1,492,015 |
| From the Economic Development Reserve Fund to the General Fund to transfer resources for the payment of economic development projects | <u>230,996</u> |
| Total | <u><u>\$7,642,093</u></u> |

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

II. Detail Notes on All Funds (continued)

C. Interfund Balances and Activity

2. Interfund Receivables and Payables

The General Fund collects taxes for various entities; at year end, undistributed tax receipts are due from the General Fund to fiduciary funds. These interfund balances as of June 30, 2007 are as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|-------------------------------------------|---------------------|-------------------|
| General Fund | Community | |
| | Development Fund | \$ 130,191 |
| | Commissary Fund | <u>12,229</u> |
| | | 142,420 |
| Special Revenue Funds: | | |
| Fire Districts Fund: | General Fund | <u>88,386</u> |
| Trust and Agency Funds: | | |
| City of Asheboro Tax Fund | General Fund | 134,063 |
| City of Archdale Tax Fund | General Fund | 28,453 |
| Town of Franklinville Tax Fund | General Fund | 2,378 |
| Town of Liberty Tax Fund | General Fund | 13,174 |
| Town of Ramseur Tax Fund | General Fund | 4,098 |
| City of Randleman Tax Fund | General Fund | 17,391 |
| Town of Seagrove Tax Fund | General Fund | 750 |
| Town of Staley Tax Fund | General Fund | 347 |
| City of High Point Tax Fund | General Fund | 3,635 |
| City of Thomasville Tax Fund | General Fund | 326 |
| City of Trinity Tax Fund | General Fund | 8,303 |
| Asheboro School District Tax Fund | General Fund | 41,835 |
| Archdale-Trinity School District Tax Fund | General Fund | <u>28,255</u> |
| | | <u>283,008</u> |
| | Total | <u>\$ 513,814</u> |

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

III. Related Organization

The Seagrove-Ulah Metropolitan Water District of Randolph County was established in 1989 to provide local water and sewer services. Its primary revenues are customer fees for these services. Three of the four members of the District's governing board are appointed by Randolph County; however, the County's responsibility for this organization does not extend beyond making these appointments. The County is not responsible for any debt issued by the District, nor is it required to fund any operating deficits.

The Randolph County Health Development Authority, Inc., is a non-stock corporation established in 1982. The Authority's board of directors is appointed by the County Board of Commissioners; however, the County provides no funding to the Authority, guarantees no debt of the Authority, and does not maintain a significant continuing relationship with the Authority board.

IV. Jointly Governed Organization

The County, in conjunction with six other counties and thirty-six municipalities, established the Piedmont Triad 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 \$39,519 to the Council during the fiscal year ended June 30, 2007. The County was the subrecipient of grants for \$829,479 from the U.S. Department of Health and Human Services, the U.S. Department of Agriculture, and the Division of Aging of the North Carolina Department of Human Resources, which was passed through the Council.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

V. Joint Ventures

The County, in conjunction with the State of North Carolina, the Asheboro City Board of Education, and the Randolph County Board of Education, participates in a joint venture to operate the Randolph County Community College. The County and the State appoint four members of the thirteen-member board of trustees of the community college. The Boards of Education each appoint two members. The president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. As of June 30, 2007, the County has no outstanding general obligation bond debt for this purpose. The County has a \$2,886,744 debt outstanding for an installment purchase obligation to construct a training facility at the community college. 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 \$2,211,469 and \$733,000 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2007. In addition, the County made debt service payments of \$251,793 during the fiscal year on installment purchase obligations issued for community college capital facilities. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2007. Complete financial statements for the community college may be obtained from the community college's administrative offices at 629 Industrial Park Avenue, Asheboro, NC 27205.

The County, in conjunction with five other governments, participates in the Piedmont Triad Regional Water Authority. The Authority was established to construct a dam facility, water treatment plant and related distribution lines. The Authority began construction of the dam in 2001, and the participating governments are legally obligated under the intergovernmental agreement that created the Authority to contribute a pre-determined share of the construction costs. The County's share of support is 18.75%. According to the joint governmental agreement, the participating governments do not have an equity interest in the joint venture, but rather rights to water in the reservoir. After a water treatment plant is constructed, the participating governments have the right to purchase future treated water based upon their pre-determined share, according to a uniform rate structure to be set by the Authority. Accordingly, a \$17,021,952 intangible asset has been recorded at cost in the government-wide financial statements at June 30, 2007. Complete financial statements for the Authority can be obtained from the Authority's administrative offices at 2216 West Meadowview Road, Greensboro, NC 27407.

Randolph County, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2007

VI. Benefit Payments Issued by the State

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

| | <u>Federal</u> | <u>State</u> |
|-----------------------------------------|----------------------|----------------------|
| Women, infants and children | \$ 2,563,043 | \$ - |
| Medicaid | 76,914,896 | 38,122,886 |
| Food stamp program | 14,711,024 | - |
| Temporary assistance for needy families | 1,634,760 | 445 |
| Energy assistance | 378,590 | - |
| Adoption assistance | 280,454 | 410,627 |
| Adult assistance | - | 1,116,603 |
| Title IV-E, foster care | 213,092 | 46,755 |
| Total | <u>\$ 96,695,859</u> | <u>\$ 39,697,316</u> |

VII. 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.

VIII. Subsequent Event

In September 2007, Randolph County issued \$36,345,000 in Certificates of Participation to finance the construction of Wheatmore High School and to provide financial assistance to the Town of Franklinville for the construction of a water line to two county schools.



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

**Randolph County, North Carolina
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Funding Progress**

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL)- Projected Unit Credit (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a % of Covered Payroll ((b - a)/c) |
|--------------------------------|----------------------------------------|--------------------------------------------------------------------------------|------------------------------------|--------------------------|---------------------------|-----------------------------------------------------|
| 12/31/97 | \$ 181,859 | \$ 232,624 | \$ 50,765 | 78.18% | \$ 2,254,919 | 2.25% |
| 12/31/98 | 186,108 | 275,565 | 89,457 | 67.54% | 2,524,873 | 3.54% |
| 12/31/99 | 207,437 | 308,915 | 101,478 | 67.15% | 2,807,872 | 3.61% |
| 12/31/00 | 221,416 | 589,798 | 368,382 | 37.54% | 3,060,200 | 12.04% |
| 12/31/01 | 237,664 | 684,921 | 447,257 | 34.70% | 3,487,660 | 12.82% |
| 12/31/02 | 244,283 | 741,252 | 496,969 | 49.15% | 4,052,114 | 12.26% |
| 12/31/03 | 251,090 | 826,784 | 575,694 | 30.37% | 4,313,650 | 13.35% |
| 12/31/04 | 239,981 | 986,598 | 746,617 | 24.32% | 4,546,681 | 16.42% |
| 12/31/05 | 224,371 | 982,797 | 758,426 | 22.83% | 4,854,299 | 15.62% |
| 12/31/06 | 282,981 | 1,139,681 | 856,700 | 24.83% | 5,186,879 | 16.52% |

**Randolph County, North Carolina
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Employer Contributions**

| Year Ending June 30 | Annual Required Contributions | Percentage Contributed |
|------------------------|----------------------------------|---------------------------|
| 1998 | \$ 31,106 | 35.30% |
| 1999 | 25,499 | 0.00% |
| 2000 | 32,667 | 45.92% |
| 2001 | 36,615 | 13.66% |
| 2002 | 71,081 | 7.03% |
| 2003 | 82,075 | 6.09% |
| 2004 | 92,469 | 5.41% |
| 2005 | 101,953 | 4.90% |
| 2006 | 117,651 | 45.05% |
| 2007 | 114,126 | 26.29% |

Notes to the Required Schedules:

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

| | |
|-------------------------------|-----------------------|
| Valuation date | 12/31/06 |
| Actuarial cost method | Projected unit credit |
| Amortization method | Level percent closed |
| Remaining amortization period | 24 Years |
| Asset valuation method | Market value |
| Actuarial assumptions: | |
| Investment rate of return* | 7.25% |
| Projected salary increases* | From 4.5% to 12.3% |
| *Includes inflation at | 3.75% |
| Cost of living adjustments | None |





Major Governmental Fund Budgetary Comparison Schedules

General Fund

Accounts for the general operations of Randolph County. It is used to account for all financial resources except those required to be accounted for in another fund.

Randolph County Schools Capital Project

Accounts for the acquisition of property and construction of two county high schools, to be financed through installment purchase contracts.



Randolph County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2007

| | 2007 | | Variance Positive (Negative) |
|------------------------------------------------|---------------|---------------|------------------------------------|
| | Budget | Actual | |
| Revenues: | | | |
| Ad valorem taxes: | | | |
| Taxes | | \$ 47,063,672 | |
| Penalties and interest | | 258,869 | |
| Total | \$ 46,311,750 | 47,322,541 | \$ 1,010,791 |
| Local option sales taxes: | | | |
| Article 39 one percent | | 7,484,142 | |
| Article 40 one - half of one percent | | 6,274,585 | |
| Article 42 one - half of one percent | | 6,242,012 | |
| Article 44 one - half of one percent | | 4,372,581 | |
| Total | 23,080,000 | 24,373,320 | 1,293,320 |
| Other taxes and licenses: | | | |
| Animal tax | | 68,718 | |
| Occupancy tax | | 372,856 | |
| Gross receipts tax | | 24,574 | |
| White goods disposal tax | | 57,292 | |
| Scrap tire disposal tax | | 146,677 | |
| Deed stamp excise tax | | 510,688 | |
| Total | 654,000 | 1,180,805 | 526,805 |
| Unrestricted intergovernmental: | | | |
| Payments in lieu of taxes-outside sources | | 13,740 | |
| Gas tax refunds | | 73,392 | |
| Video Programming Distribution | | 178,274 | |
| Total | 56,900 | 265,406 | 208,506 |
| Restricted intergovernmental: | | | |
| Federal and State grants | | | |
| Public safety services | | 599,118 | |
| Health services | | 1,433,363 | |
| Social services | | 11,345,040 | |
| Aging services | | 829,479 | |
| Library services | | 312,859 | |
| Public School Building Capital Funds - ADM | | 1,278,402 | |
| Public School Building Capital Funds - Lottery | | 757,247 | |
| All other | | 293,316 | |
| Court facility fees | | 276,806 | |
| Controlled substance tax | | 87,890 | |
| Treasury Department forfeitures | | 331,047 | |
| ABC bottles taxes | | 13,082 | |
| Total | 18,005,093 | 17,557,649 | (447,444) |

Randolph County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2007

| | 2007 | | Variance Positive (Negative) |
|----------------------------------------|---------------------|--------------------|------------------------------------|
| | Budget | Actual | |
| Revenues (concluded): | | | |
| Permits and fees: | | | |
| Franchise fees | | \$ 225,360 | |
| Register of deeds fees | | 733,425 | |
| Inspection and zoning fees | | 754,079 | |
| Environmental health fees | | 222,240 | |
| Total | <u>\$ 2,507,250</u> | <u>1,935,104</u> | <u>\$ (572,146)</u> |
| Sales and services: | | | |
| Tax department fees | | 234,665 | |
| Officer and jail fees | | 234,798 | |
| School resource officer reimbursements | | 573,618 | |
| Ambulance and rescue squad fees | | 2,452,149 | |
| Solid waste fees | | 3,002,715 | |
| Health department fees | | 1,009,560 | |
| Library fees | | 123,473 | |
| All other | | 911,528 | |
| Total | <u>8,109,716</u> | <u>8,542,506</u> | <u>432,790</u> |
| Investment earnings | <u>1,695,000</u> | <u>2,351,737</u> | <u>656,737</u> |
| Miscellaneous: | | | |
| Sale of materials | | 46,087 | |
| Sale of timber rights | | 113,800 | |
| Other | | 526,723 | |
| Total | <u>551,050</u> | <u>686,610</u> | <u>135,560</u> |
| Total revenues | <u>100,970,759</u> | <u>104,215,678</u> | <u>3,244,919</u> |
| Expenditures: | | | |
| General government: | | | |
| Governing body: | | | |
| Salaries | | 43,200 | |
| Employee benefits | | 17,169 | |
| Other operating expenditures | | 80,474 | |
| Total | <u>141,316</u> | <u>140,843</u> | <u>473</u> |
| Administration: | | | |
| Salaries | | 911,662 | |
| Employee benefits | | 192,569 | |
| Other operating expenditures | | 254,541 | |
| Insurance and bonds | | 1,077,508 | |
| Capital outlay | | 40,778 | |
| Total | <u>2,616,074</u> | <u>2,477,058</u> | <u>139,016</u> |

Randolph County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2007

| | 2007 | | Variance Positive (Negative) |
|----------------------------------|--------------|------------|------------------------------------|
| | Budget | Actual | |
| Expenditures (continued): | | | |
| General Government (concluded): | | | |
| Information Technology: | | | |
| Salaries | | \$ 587,546 | |
| Employee benefits | | 130,161 | |
| Other operating expenditures | | 289,710 | |
| Total | \$ 1,189,445 | 1,007,417 | \$ 182,028 |
| Tax: | | | |
| Salaries | | 1,188,534 | |
| Employee benefits | | 301,571 | |
| Other operating expenditures | | 420,844 | |
| Total | 1,916,532 | 1,910,949 | 5,583 |
| Elections: | | | |
| Salaries | | 124,159 | |
| Employee benefits | | 18,964 | |
| Other operating expenditures | | 115,228 | |
| Capital outlay | | 3,751 | |
| Total | 508,260 | 262,102 | 246,158 |
| Register of deeds: | | | |
| Salaries | | 318,533 | |
| Employee benefits | | 116,149 | |
| Other operating expenditures | | 116,268 | |
| Capital outlay | | 58,818 | |
| Total | 654,944 | 609,768 | 45,176 |
| Public buildings: | | | |
| Salaries | | 334,193 | |
| Employee benefits | | 87,770 | |
| Utilities and telephone | | 915,344 | |
| Other operating expenditures | | 523,677 | |
| Capital outlay | | 241,232 | |
| Total | 3,203,113 | 2,102,216 | 1,100,897 |
| Total general government | 10,229,684 | 8,510,353 | 1,719,331 |

Randolph County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2007

| | 2007 | | Variance Positive (Negative) |
|----------------------------------|----------------------|-------------------|------------------------------------|
| | Budget | Actual | |
| Expenditures (continued): | | | |
| Public Safety: | | | |
| Sheriff and Jail | | | |
| Sheriff: | | | |
| Salaries | | \$ 5,456,974 | |
| Employee benefits | | 1,643,914 | |
| Other operating expenditures | | 953,725 | |
| Capital outlay | | 558,746 | |
| Total | | <u>8,613,359</u> | |
| Jail: | | | |
| Salaries | | 2,230,770 | |
| Employee benefits | | 597,992 | |
| Other operating expenditures | | 1,070,082 | |
| Capital outlay | | 54,373 | |
| Total | | <u>3,953,217</u> | |
| Total Sheriff and Jail | <u>\$ 12,889,403</u> | <u>12,566,576</u> | <u>\$ 322,827</u> |
| Emergency Services: | | | |
| Emergency medical services: | | | |
| Salaries | | 1,904,326 | |
| Employee benefits | | 441,126 | |
| Other operating expenditures | | 370,276 | |
| Capital outlay | | 264,512 | |
| Total | | <u>2,980,240</u> | |
| Emergency communications: | | | |
| Salaries | | 800,449 | |
| Employee benefits | | 187,489 | |
| Other operating expenditures | | 23,518 | |
| Total | | <u>1,011,456</u> | |
| Emergency management: | | | |
| Salaries | | 60,259 | |
| Employee benefits | | 13,400 | |
| Other operating expenditures | | 5,540 | |
| Total | | <u>79,199</u> | |

Randolph County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2007

| | 2007 | | Variance Positive (Negative) |
|-------------------------------------|---------------------|-------------------|------------------------------------|
| | Budget | Actual | |
| Expenditures (continued): | | | |
| Public Safety (concluded): | | | |
| Emergency Services (concluded): | | | |
| Fire Inspections: | | | |
| Salaries | | \$ 192,627 | |
| Employee benefits | | 48,236 | |
| Other operating expenditures | | 44,123 | |
| Total | | <u>284,986</u> | |
| Total Emergency Services | <u>\$ 4,425,356</u> | <u>4,355,881</u> | <u>\$ 69,475</u> |
| Building inspections: | | | |
| Salaries | | 560,537 | |
| Employee benefits | | 130,140 | |
| Other operating expenditures | | 72,401 | |
| Capital outlay | | 19,465 | |
| Total | <u>797,482</u> | <u>782,543</u> | <u>14,939</u> |
| Adult and juvenile day reporting: | | | |
| Salaries | | 443,137 | |
| Employee benefits | | 99,136 | |
| Other operating expenditures | | 110,041 | |
| Capital outlay | | 19,900 | |
| Total | <u>689,779</u> | <u>672,214</u> | <u>17,565</u> |
| Other public safety appropriations: | | | |
| Juvenile detention services | | 43,326 | |
| Jury commission | | 1,817 | |
| Medical examiner | | 52,900 | |
| Contributions to: | | | |
| U.S. Forest Service | | 101,224 | |
| Ashe-Rand Rescue Squad | | 16,000 | |
| Piedmont Triad Ambulance Service | | 950 | |
| N.C. National Guard | | 950 | |
| Total | <u>231,118</u> | <u>217,167</u> | <u>13,951</u> |
| Total public safety | <u>19,033,138</u> | <u>18,594,381</u> | <u>438,757</u> |

Randolph County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2007

| | 2007 | | Variance Positive (Negative) |
|---------------------------------------------------------|------------|------------|------------------------------------|
| | Budget | Actual | |
| Expenditures (continued): | | | |
| Economic and physical development: | | | |
| Planning and zoning: | | | |
| Salaries | | \$ 376,315 | |
| Employee benefits | | 90,702 | |
| Other operating expenditures | | 73,241 | |
| Total | \$ 562,805 | 540,258 | \$ 22,547 |
| Cooperative Extension Service: | | | |
| Salaries | | 230,727 | |
| Employee benefits | | 55,511 | |
| Other operating expenditures | | 73,148 | |
| Total | 428,835 | 359,386 | 69,449 |
| Soil and Water Conservation: | | | |
| Salaries | | 78,724 | |
| Employee benefits | | 19,201 | |
| Other operating expenditures | | 9,074 | |
| Capital outlay | | 29,709 | |
| Total | 175,326 | 136,708 | 38,618 |
| Other economic and physical development appropriations: | | | |
| Piedmont Triad Regional Water Authority | | 340,181 | |
| Contributions to: | | | |
| Randolph Economic Development Corporation | | 233,496 | |
| Piedmont Triad Partnership | | 13,581 | |
| Yadkin - Pee Dee Lakes Project | | 3,500 | |
| Research Conservation and Development | | 500 | |
| Cape Fear River Assembly | | 1,000 | |
| Economic development incentives: | | | |
| Rheem Manufacturing | | 31,250 | |
| Technimark | | 75,000 | |
| Thomas Built Bus | | 125,000 | |
| City of Archdale - grant match | | 25,000 | |
| Timken Company | | 50,000 | |
| Starpet | | 125,000 | |
| Distributions of occupancy tax to: | | | |
| Randolph Tourism Development Authority | | 361,670 | |
| Total | 2,434,009 | 1,385,178 | 1,048,831 |
| Total economic and physical development | 3,600,975 | 2,421,530 | 1,179,445 |

Randolph County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2007

| | 2007 | | Variance Positive (Negative) |
|--------------------------------------------|---------------------|------------------|------------------------------------|
| | Budget | Actual | |
| Expenditures (continued): | | | |
| Environmental protection: | | | |
| Public Works: | | | |
| Administrative and engineering: | | | |
| Salaries | | \$ 108,946 | |
| Employee benefits | | 23,609 | |
| Other operating expenditures | | 19,702 | |
| Capital outlay | | 19,242 | |
| Total | | <u>171,499</u> | |
| Solid waste transfer station: | | | |
| Salaries | | 65,132 | |
| Employee benefits | | 18,668 | |
| Transfer station operations | | 2,416,759 | |
| Other operating expenditures | | 173,450 | |
| Total | | <u>2,674,009</u> | |
| Recycling and convenience site operations: | | | |
| Salaries | | 18,203 | |
| Employee benefits | | 4,872 | |
| Other recycling costs | | 54,282 | |
| Other operating expenditures | | 197,838 | |
| Total | | <u>275,195</u> | |
| Total environmental protection | <u>\$ 3,653,153</u> | <u>3,120,703</u> | <u>\$ 532,450</u> |
| Human services: | | | |
| Health: | | | |
| Public health services: | | | |
| Salaries | | 2,016,534 | |
| Employee benefits | | 507,187 | |
| Other operating expenditures | | 562,812 | |
| Total | | <u>3,086,533</u> | |
| Animal control: | | | |
| Salaries | | 78,772 | |
| Employee benefits | | 25,024 | |
| Other operating expenditures | | 14,063 | |
| Capital outlay | | 19,154 | |
| Total | | <u>137,013</u> | |

Randolph County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2007

| | 2007 | | Variance Positive (Negative) |
|----------------------------------------|-------------------|-------------------|------------------------------------|
| | Budget | Actual | |
| Expenditures (continued): | | | |
| Human Services (continued): | | | |
| Health (concluded): | | | |
| Environmental health: | | | |
| Salaries | | \$ 696,109 | |
| Employee benefits | | 163,785 | |
| Other operating expenditures | | 109,388 | |
| Total | | <u>969,282</u> | |
| Women, infants, and children | | | |
| Salaries | | 378,584 | |
| Employee benefits | | 109,640 | |
| Other operating expenditures | | 70,004 | |
| Total | | <u>558,228</u> | |
| Total health | \$ 4,976,673 | <u>4,751,056</u> | \$ 225,617 |
| Social services: | | | |
| Administration: | | | |
| Salaries | | 5,219,796 | |
| Employee benefits | | 1,331,966 | |
| Other operating expenditures | | 1,326,708 | |
| Total | | <u>7,878,470</u> | |
| Assistance programs: | | | |
| Child day care | | 5,810,908 | |
| Foster care | | 1,034,020 | |
| Workfirst | | 458,090 | |
| Total | | <u>7,303,018</u> | |
| Medical assistance program (Medicaid): | | | |
| County share of assistance payments | | <u>6,319,886</u> | |
| Special assistance to adults: | | | |
| County share of assistance payments | | <u>1,116,602</u> | |
| Total social services | <u>23,495,004</u> | <u>22,617,976</u> | <u>877,028</u> |

Randolph County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2007

| | 2007 | | Variance Positive (Negative) |
|----------------------------------------------|-------------------|-------------------|------------------------------------|
| | Budget | Actual | |
| Expenditures (continued): | | | |
| Human services (concluded): | | | |
| Veteran Services: | | | |
| Salaries | | \$ 46,231 | |
| Employee benefits | | 9,995 | |
| Other operating expenditures | | 7,259 | |
| Total | <u>\$ 65,092</u> | <u>63,485</u> | <u>\$ 1,607</u> |
| Other human service appropriations: | | | |
| Contributions to other agencies: | | | |
| Family Crisis Center | | 41,000 | |
| Regional Consolidated Services | | 2,000 | |
| Randolph County Senior Adults Assn. | | 225,585 | |
| Central Boys and Girls Club | | 25,000 | |
| Sandhills Center | | 1,001,565 | |
| Randolph Vocational Workshop | | 10,000 | |
| Pass-through grants to other agencies: | | | |
| Home and Community Care Block Grant | | 829,479 | |
| Rural Operating Assistance Program | | 206,324 | |
| Juvenile Justice programs | | 19,250 | |
| Total other human service appropriations | <u>2,297,525</u> | <u>2,360,203</u> | <u>(62,678)</u> |
| Total human services | <u>30,834,294</u> | <u>29,792,720</u> | <u>1,041,574</u> |
| Culture and recreation: | | | |
| Library | | | |
| Salaries | | 1,085,315 | |
| Employee benefits | | 262,074 | |
| Other operating expenditures | | 335,812 | |
| Capital outlay | | 18,386 | |
| Total | <u>1,735,082</u> | <u>1,701,587</u> | <u>33,495</u> |
| Other culture and recreation appropriations: | | | |
| Randolph Arts Guild | | 15,000 | |
| N.C. Pottery Center | | 23,700 | |
| N.C. Museum of Traditional Pottery | | 10,000 | |
| Total | <u>48,700</u> | <u>48,700</u> | <u>-</u> |
| Total culture and recreation | <u>1,783,782</u> | <u>1,750,287</u> | <u>33,495</u> |

Randolph County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2007

| | 2007 | | Variance Positive (Negative) |
|------------------------------------|---------------|--------------|------------------------------------|
| | Budget | Actual | |
| Expenditures (concluded): | | | |
| Education: | | | |
| Contributions to other agencies: | | | |
| Public schools: | | | |
| Current Expense: | | | |
| Asheboro City Schools | | \$ 3,802,481 | |
| Randolph County Schools | | 15,478,441 | |
| Randolph Community College | | 2,211,469 | |
| Capital Outlay: | | | |
| Asheboro City Schools | | 758,801 | |
| Randolph County Schools | | 2,313,200 | |
| Randolph Community College | | 733,000 | |
| Communities in Schools | | 70,000 | |
| Total Education | \$ 25,426,859 | 25,367,392 | \$ 59,467 |
| Debt service: | | | |
| Principal retirement | 6,811,449 | 6,811,449 | |
| Interest and other charges | 4,336,860 | 4,308,801 | |
| Total debt service | 11,148,309 | 11,120,250 | 28,059 |
| Total expenditures | 105,710,194 | 100,677,616 | 5,032,578 |
| Revenues over (under) expenditures | (4,739,435) | 3,538,062 | 8,277,497 |

Randolph County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2007

| | 2007 | | Variance Positive (Negative) |
|-----------------------------------------------------------------------------------------|----------------------|----------------------|------------------------------------|
| | Budget | Actual | |
| Other financing sources (uses): | | | |
| Transfers from other funds: | | | |
| From 1995 Capital Reserve - Mental Health and County School Facilities Fund | \$ 1,492,015 | \$ 1,492,015 | \$ - |
| From Economic Development Reserve | 230,997 | 230,996 | (1) |
| From City Schools Capital Project | 809,632 | 809,632 | - |
| From County Schools Capital Project | 1,721,500 | 1,721,500 | - |
| Transfers to other funds: | | | |
| Special Revenue Funds: | | | |
| To 1995 Capital Reserve - Mental Health and County School Facilities Fund | (1,442,950) | (1,442,950) | - |
| To Economic Development Reserve | (850,500) | (850,500) | - |
| Capital Projects Funds: | | | |
| To Asheboro City Schools Project | (72,500) | (72,500) | - |
| To Technology Capital Project | (600,000) | (600,000) | - |
| Total other financing sources (uses) | <u>1,288,194</u> | <u>1,288,193</u> | <u>(1)</u> |
| Fund Balance Appropriated | 3,451,241 | - | 3,451,241 |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>-</u> | <u>4,826,255</u> | <u>4,826,255</u> |
| Fund balances: | | | |
| Beginning of year, July 1 | <u>36,786,363</u> | <u>36,786,363</u> | <u>-</u> |
| End of year, June 30 | <u>\$ 36,786,363</u> | <u>\$ 41,612,618</u> | <u>\$ 4,826,255</u> |



Randolph County, North Carolina
Randolph County Schools Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2007

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Variance Positive (Negative) |
|-----------------------------------------------------------------------------------------------|--------------------------|------------------|---------------------------|----------------------|------------------------------------|
| Revenues | | | | | |
| Investment earnings | \$ 281,720 | \$ - | \$ 1,326,959 | \$ 1,326,959 | \$ 1,045,239 |
| Total revenues | 281,720 | - | 1,326,959 | 1,326,959 | 1,045,239 |
| Expenditures | | | | | |
| Current: | | | | | |
| Bond Issuance Costs | 600,000 | 5,000 | 592,337 | 597,337 | 2,663 |
| Education: | | | | | |
| Providence Grove High School | | | | | |
| Professional Fees | 1,246,557 | 750,254 | 131,756 | 882,010 | 364,547 |
| Land Acquisition | 911,782 | 915,404 | | 915,404 | (3,622) |
| Other Services | 250,000 | 36,040 | 81,572 | 117,612 | 132,388 |
| Construction | 29,728,050 | 637 | 11,874,292 | 11,874,929 | 17,853,121 |
| Furniture and Equipment | 1,000,000 | | | - | 1,000,000 |
| Contingency | 900,000 | | | - | 900,000 |
| Less sales tax reimbursements | (5,000) | | (110,548) | (110,548) | 105,548 |
| | <u>34,031,389</u> | <u>1,702,335</u> | <u>11,977,072</u> | <u>13,679,407</u> | <u>20,351,982</u> |
| Wheatmore High School | | | | | |
| Professional Fees | 1,229,375 | 12,265 | 807,883 | 820,148 | 409,227 |
| Land Acquisition | 1,170,000 | | 1,140,574 | 1,140,574 | 29,426 |
| Other Services | 250,000 | 1,900 | 131,275 | 133,175 | 116,825 |
| Construction | 30,100,000 | | 2,797 | 2,797 | 30,097,203 |
| Furniture and Equipment | 1,000,000 | | | - | 1,000,000 |
| Contingency | 906,088 | | | - | 906,088 |
| Less sales tax reimbursements | - | | | - | - |
| | <u>34,655,463</u> | <u>14,165</u> | <u>2,082,529</u> | <u>2,096,694</u> | <u>32,558,769</u> |
| Total expenditures | 69,286,852 | 1,721,500 | 14,651,938 | 16,373,438 | 52,913,414 |
| Revenues over (under) expenditures | (69,005,132) | (1,721,500) | (13,324,979) | (15,046,479) | 53,958,653 |
| Other financing sources (uses): | | | | | |
| Installment Purchase Debt Issued | 69,427,132 | - | 35,770,000 | 35,770,000 | (33,657,132) |
| Premium on Issued Debt | | | 171,669 | 171,669 | 171,669 |
| Transfer from General Fund | 1,911,530 | 1,721,500 | - | 1,721,500 | (190,030) |
| Transfer to General Fund | (1,911,530) | - | (1,721,500) | (1,721,500) | 190,030 |
| Transfer to Rural Water Project | (422,000) | - | (422,000) | (422,000) | - |
| Total other financing sources (uses) | <u>69,005,132</u> | <u>1,721,500</u> | <u>33,798,169</u> | <u>35,519,669</u> | <u>(33,485,463)</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ -</u> | <u>20,473,190</u> | <u>\$ 20,473,190</u> | <u>\$ 20,473,190</u> |
| Fund balances: | | | | | |
| Beginning of year, July 1 | | | - | | |
| End of year, June 30 | | | <u>\$ 20,473,190</u> | | |





Non-Major Governmental Funds

Budgetary Comparison Schedules

Special Revenue Funds:

| | |
|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Fire District Fund</u> | Accounts for voter-approved property taxes levied to provide fire protection for nineteen districts. |
| <u>Emergency Telephone System Fund</u> | Established in accordance with North Carolina law to account for the accumulation of telephone surcharges to be used for emergency telephone systems. |
| <u>Landfill Closure Fund</u> | Accounts for the costs associated with closure and postclosure of the County's landfill, which closed in December 1997. |
| <u>Library Trust Fund</u> | Accounts for contributions from bequests specifically restricted for the public library. |
| <u>Community Development Block Grant</u> | Accounts for various federal and state grants to assist in rehabilitating area housing. |
| <u>1995 Capital Reserve - Mental Health and County School Facilities Fund</u> | Accounts for funds required to be accumulated to pay the debt service on the installment financing contract for the mental health and county school facilities. |
| <u>Economic Development Reserve</u> | Accounts for funds accumulated for infrastructure development and incentive payments. |

Capital Project Funds:

| | |
|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Rural Water Infrastructure Capital Project Fund</u> | Accounts for the construction of water distribution lines into targeted rural areas. The first phase is a line along Highway 22 to the new Providence Grove High School and to Grays Chapel Elementary School. |
| <u>Asheboro City Schools Capital Project Fund</u> | Accounts for the renovation of property to expand Teachey Elementary School, to be financed through an installment purchase contract. |
| <u>Technology Capital Project Fund</u> | Accounts for the implementation costs to upgrade county technology services, financed by transfers from the General Fund. |

**Randolph County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007**

| | Special Revenue Funds | | | | | |
|--------------------------------------------|------------------------------|------------------------------------------|-----------------------------|--------------------------|----------------------------------|-------------------------------------------------------------------------------------|
| | Fire Districts Fund | Emergency Telephone System Fund | Landfill Closure Fund | Library Trust Fund | Community Development Fund | 1995 Capital Reserve - Mental Health and County School Facilities |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ - | \$ 2,271,969 | \$ 2,077,008 | \$ 99,072 | \$ 37,902 | \$ 1,105,455 |
| Accounts receivable, net | | 113,605 | 22,396 | 1,068 | 408 | 11,920 |
| Taxes receivable, net | 182,313 | | | | | |
| Due from other governments | | | | | 164,135 | |
| Due from other funds | 88,386 | | | | | |
| Restricted cash and equivalents | - | - | - | - | 3,500 | - |
| Total assets | \$ 270,699 | \$ 2,385,574 | \$ 2,099,404 | \$ 100,140 | \$ 205,945 | \$ 1,117,375 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable and accrued liabilities | \$ - | \$ 1,543 | \$ 2,000 | \$ - | \$ 33,944 | \$ - |
| Due to other funds | | | | | 130,191 | |
| Unearned revenue | 30,455 | | | | | |
| Deferred revenue | 182,313 | | - | | | - |
| Liabilities payable from restricted assets | - | - | - | - | 3,500 | - |
| Total liabilities | 212,768 | 1,543 | 2,000 | - | 167,635 | - |
| Fund balances: | | | | | | |
| Reserved for: | | | | | | |
| State statute | 88,386 | 113,605 | 22,396 | | 164,543 | 11,920 |
| Encumbrances | | 64,036 | | | | |
| Unreserved: | | | | | | |
| Designated for subsequent years | | | 63,500 | | | |
| Undesignated | (30,455) | 2,206,390 | 2,011,508 | 100,140 | (126,233) | 1,105,455 |
| Total fund balances | 57,931 | 2,384,031 | 2,097,404 | 100,140 | 38,310 | 1,117,375 |
| Total liabilities and fund balances | \$ 270,699 | \$ 2,385,574 | \$ 2,099,404 | \$ 100,140 | \$ 205,945 | \$ 1,117,375 |

Capital Project Funds

| Economic Development Reserve | Total Nonmajor Special Revenue Funds | Rural Water Infrastructure Capital Project Fund | Asheboro City Schools Capital Project | Technology Capital Project Fund | Total Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|------------------------------|--------------------------------------|-------------------------------------------------|---------------------------------------|---------------------------------|---------------------------------------|-----------------------------------|
| \$ 1,522,205 | \$ 7,113,611 | \$ 242,055 | \$ 19,936 | \$ 1,352,868 | \$ 1,614,859 | \$ 8,728,470 |
| 16,413 | 165,810 | 2,610 | | 14,588 | 17,198 | 183,008 |
| | 182,313 | | | | - | 182,313 |
| | 164,135 | | 60,687 | | 60,687 | 224,822 |
| | 88,386 | | | - | - | 88,386 |
| - | 3,500 | - | 1,194,132 | - | 1,194,132 | 1,197,632 |
| <u>\$ 1,538,618</u> | <u>\$ 7,717,755</u> | <u>\$ 244,665</u> | <u>\$ 1,274,755</u> | <u>\$ 1,367,456</u> | <u>\$ 2,886,876</u> | <u>\$ 10,604,631</u> |
| \$ - | \$ 37,487 | \$ - | \$ - | \$ 5,936 | \$ 5,936 | \$ 43,423 |
| | 130,191 | | | | - | 130,191 |
| | 30,455 | | | | - | 30,455 |
| | 182,313 | | | | - | 182,313 |
| - | 3,500 | - | 611,895 | - | 611,895 | 615,395 |
| - | 383,946 | - | 611,895 | 5,936 | 617,831 | 1,001,777 |
| 16,413 | 417,263 | 2,610 | 60,687 | 14,588 | 77,885 | 495,148 |
| | 64,036 | | | | | 64,036 |
| | 63,500 | | | | - | 63,500 |
| 1,522,205 | 6,789,010 | 242,055 | 602,173 | 1,346,932 | 2,191,160 | 8,980,170 |
| 1,538,618 | 7,333,809 | 244,665 | 662,860 | 1,361,520 | 2,269,045 | 9,602,854 |
| <u>\$ 1,538,618</u> | <u>\$ 7,717,755</u> | <u>\$ 244,665</u> | <u>\$ 1,274,755</u> | <u>\$ 1,367,456</u> | <u>\$ 2,886,876</u> | <u>\$ 10,604,631</u> |

Randolph County, North Carolina
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2007

| | Special Revenue Funds | | | | | |
|------------------------------------------------------|------------------------------|------------------------------------------|-----------------------------|--------------------------|----------------------------------|-------------------------------------------------------------------------------------|
| | Fire Districts Fund | Emergency Telephone System Fund | Landfill Closure Fund | Library Trust Fund | Community Development Fund | 1995 Capital Reserve - Mental Health and County School Facilities |
| REVENUES | | | | | | |
| Ad valorem taxes | \$5,141,433 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other taxes and licenses | | 757,675 | | | | |
| Restricted Intergovernmental | | | | | 340,083 | |
| Investment earnings | | 114,696 | 108,999 | 5,088 | 891 | 94,673 |
| Miscellaneous | - | - | - | 9,481 | - | - |
| Total revenues | <u>5,141,433</u> | <u>872,371</u> | <u>108,999</u> | <u>14,569</u> | <u>340,974</u> | <u>94,673</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| Public safety | 5,142,956 | 501,499 | | | | |
| Economic and Physical Development | | | | | 302,664 | |
| Environmental protection | | | 56,940 | | | |
| Capital outlay | - | - | - | - | - | - |
| Total expenditures | <u>5,142,956</u> | <u>501,499</u> | <u>56,940</u> | <u>-</u> | <u>302,664</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,523)</u> | <u>370,872</u> | <u>52,059</u> | <u>14,569</u> | <u>38,310</u> | <u>94,673</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Installment Purchase Debt Issued | | | | | | |
| Transfers from other funds | | | | | | 1,442,950 |
| Transfers to other funds | - | - | - | - | - | <u>(1,492,015)</u> |
| Total other financing sources and uses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(49,065)</u> |
| Net change in fund balances | (1,523) | 370,872 | 52,059 | 14,569 | 38,310 | 45,608 |
| Fund balances - beginning | <u>59,454</u> | <u>2,013,159</u> | <u>2,045,345</u> | <u>85,571</u> | <u>-</u> | <u>1,071,767</u> |
| Fund balances - ending | <u>\$ 57,931</u> | <u>\$ 2,384,031</u> | <u>\$ 2,097,404</u> | <u>\$ 100,140</u> | <u>\$ 38,310</u> | <u>\$ 1,117,375</u> |

| Capital Project Funds | | | | | | |
|------------------------------------|--------------------------------------------------|----------------------------------------------------------|---------------------------------------------------|---------------------------------------|---------------------------------------------------|--------------------------------------------|
| Economic Development Reserve | Total Nonmajor Special Revenue Funds | Rural Water Infrastructure Capital Project Fund | Asheboro City Schools Capital Project | Technology Capital Project Fund | Total Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
| \$ - | \$ 5,141,433 | \$ - | \$ - | \$ - | \$ - | \$ 5,141,433 |
| | 757,675 | | | | - | 757,675 |
| | 340,083 | | 157,651 | | 157,651 | 497,734 |
| 75,172 | 399,519 | 8,530 | 119,247 | 48,285 | 176,062 | 575,581 |
| - | 9,481 | - | - | - | - | 9,481 |
| <u>75,172</u> | <u>6,648,191</u> | <u>8,530</u> | <u>276,898</u> | <u>48,285</u> | <u>333,713</u> | <u>6,981,904</u> |
| | 5,644,455 | | | | - | 5,644,455 |
| | 302,664 | | | | - | 302,664 |
| | 56,940 | | | | - | 56,940 |
| - | - | 185,865 | 4,301,906 | 126,673 | 4,614,444 | 4,614,444 |
| - | 6,004,059 | 185,865 | 4,301,906 | 126,673 | 4,614,444 | 10,618,503 |
| <u>75,172</u> | <u>644,132</u> | <u>(177,335)</u> | <u>(4,025,008)</u> | <u>(78,388)</u> | <u>(4,280,731)</u> | <u>(3,636,599)</u> |
| | - | | 5,425,000 | | 5,425,000 | 5,425,000 |
| 850,500 | 2,293,450 | 422,000 | 72,500 | 600,000 | 1,094,500 | 3,387,950 |
| <u>(230,996)</u> | <u>(1,723,011)</u> | <u>-</u> | <u>(809,632)</u> | <u>-</u> | <u>(809,632)</u> | <u>(2,532,643)</u> |
| <u>619,504</u> | <u>570,439</u> | <u>422,000</u> | <u>4,687,868</u> | <u>600,000</u> | <u>5,709,868</u> | <u>6,280,307</u> |
| 694,676 | 1,214,571 | 244,665 | 662,860 | 521,612 | 1,429,137 | 2,643,708 |
| <u>843,942</u> | <u>6,119,238</u> | <u>-</u> | <u>-</u> | <u>839,908</u> | <u>839,908</u> | <u>6,959,146</u> |
| <u>\$ 1,538,618</u> | <u>\$ 7,333,809</u> | <u>\$ 244,665</u> | <u>\$ 662,860</u> | <u>\$ 1,361,520</u> | <u>\$ 2,269,045</u> | <u>\$ 9,602,854</u> |

Randolph County, North Carolina
Fire Districts Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the Fiscal Year Ended June 30, 2007

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|------------------------------------|---------------------|------------------|---------------------------------------------|
| Revenues: | | | |
| Ad valorem taxes: | | | |
| Current year | | \$ 5,116,396 | |
| Prior year | | 25,037 | |
| Total revenues | <u>\$ 5,254,802</u> | <u>5,141,433</u> | <u>\$ (113,369)</u> |
| Expenditures: | | | |
| Current: | | | |
| Public safety: | | | |
| Fire Districts: | | | |
| Bennett | | 23,948 | |
| Climax | | 371,336 | |
| Coleridge | | 141,223 | |
| Eastside | | 286,831 | |
| Fairgrove | | 192,104 | |
| Farmer | | 118,666 | |
| Franklinville | | 262,984 | |
| Guil-Rand | | 1,763,866 | |
| Julian | | 75,446 | |
| Level Cross | | 206,167 | |
| Northeast | | 79,848 | |
| Randleman | | 203,492 | |
| Seagrove | | 152,429 | |
| Sophia | | 109,413 | |
| Southwest | | 53,986 | |
| Staley | | 138,276 | |
| Tabernacle | | 183,702 | |
| Ulah | | 269,964 | |
| Westside | | 509,275 | |
| Total expenditures | <u>5,254,802</u> | <u>5,142,956</u> | <u>111,846</u> |
| Revenues over (under) expenditures | <u>\$ -</u> | <u>(1,523)</u> | <u>\$ (1,523)</u> |
| Fund balances: | | | |
| Beginning of year, July 1 | | <u>59,454</u> | |
| End of year, June 30 | | <u>\$ 57,931</u> | |

Randolph County, North Carolina
Emergency Telephone System Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the Fiscal Year Ended June 30, 2007

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|------------------------------------|----------------|---------------------|---------------------------------------------|
| Revenues: | | | |
| Other Taxes and Licenses | | | |
| 911 System Subscriber Fees | \$ 421,560 | \$ 484,028 | \$ 62,468 |
| Wireless 911 Funds | 201,548 | 273,647 | 72,099 |
| Investment Earnings | 36,652 | 114,696 | 78,044 |
| Total Revenues | <u>659,760</u> | <u>872,371</u> | <u>212,611</u> |
| Expenditures: | | | |
| Public Safety: | | | |
| 911 System Subscriber Fees: | | | |
| 911 Services | 244,976 | 202,841 | 42,135 |
| Information Management | 223,688 | 173,781 | 49,907 |
| Capital Outlay | 41,090 | 6,159 | 34,931 |
| Total Subscriber Fees | <u>509,754</u> | <u>382,781</u> | <u>126,973</u> |
| Wireless 911 Funds: | | | |
| 911 Services | 35,969 | 25,087 | 10,882 |
| Information Management | 134,206 | 87,472 | 46,734 |
| Capital Outlay | 82,317 | 6,159 | 76,158 |
| Total Wireless 911 | <u>252,492</u> | <u>118,718</u> | <u>133,774</u> |
| Total Expenditures | <u>762,246</u> | <u>501,499</u> | <u>260,747</u> |
| Fund Balance Appropriated | <u>102,486</u> | - | <u>102,486</u> |
| Revenues over (under) expenditures | <u>\$ -</u> | 370,872 | <u>\$ 370,872</u> |
| Fund Balance: | | | |
| Beginning of Year, July 1 | | <u>2,013,159</u> | |
| End of Year, June 30 | | <u>\$ 2,384,031</u> | |

Randolph County, North Carolina
Landfill Closure Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the Fiscal Year Ended June 30, 2007

| | Budget | Actual | Variance Positive (Negative) |
|------------------------------------|-----------|--------------|------------------------------------|
| Revenues: | | | |
| Investment earnings | \$ 23,000 | \$ 108,999 | \$ 85,999 |
| Expenditures: | | | |
| Current: | | | |
| Environmental protection: | | | |
| Post-closure costs: | | | |
| Operating expenditures | | 49,327 | |
| Capital outlay | | 7,613 | |
| | 86,500 | 56,940 | 29,560 |
| Fund Balance Appropriated | 63,500 | - | 63,500 |
| Revenues over (under) expenditures | \$ - | 52,059 | \$ 52,059 |
| Fund balances: | | | |
| Beginning of year, July 1 | | 2,045,345 | |
| End of year, June 30 | | \$ 2,097,404 | |

Randolph County, North Carolina
Community Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2007

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Variance Positive (Negative) |
|------------------------------------|--------------------------|----------------|---------------------------|------------------|------------------------------------|
| Revenues | | | | | |
| Restricted Intergovernmental | | | | | |
| Community Development Block Grant | \$ 400,000 | \$ - | \$ 67,329 | \$ 67,329 | \$ (332,671) |
| Single Family Rehabilitation Grant | 400,000 | | 235,254 | 235,254 | (164,746) |
| Urgent Repair Program | 75,000 | | 37,500 | 37,500 | (37,500) |
| Investment earnings | - | | 891 | 891 | 891 |
| | <u>875,000</u> | <u>-</u> | <u>340,974</u> | <u>340,974</u> | <u>(534,026)</u> |
| Expenditures | | | | | |
| 2006 Scattered Housing Grant | | | | | |
| Rehabilitation Assistance | 360,000 | | 61,600 | 61,600 | 298,400 |
| Administration | 40,000 | | 5,729 | 5,729 | 34,271 |
| | <u>400,000</u> | <u>-</u> | <u>67,329</u> | <u>67,329</u> | <u>332,671</u> |
| 2006 Single Family Rehabilitation | | | | | |
| Rehabilitation Assistance | 320,000 | | 190,548 | 190,548 | 129,452 |
| Administration | 80,000 | | 44,706 | 44,706 | 35,294 |
| | <u>400,000</u> | <u>-</u> | <u>235,254</u> | <u>235,254</u> | <u>164,746</u> |
| Urgent Repair Program | | | | | |
| Rehabilitation Assistance | 75,000 | | 81 | 81 | 74,919 |
| | <u>875,000</u> | <u>-</u> | <u>302,664</u> | <u>302,664</u> | <u>572,336</u> |
| Revenues over (under) expenditures | <u>\$ -</u> | <u>\$ -</u> | 38,310 | <u>\$ 38,310</u> | <u>\$ 38,310</u> |
| Fund balances: | | | | | |
| Beginning of year, July 1 | | | <u>-</u> | | |
| End of year, June 30 | | | <u>\$ 38,310</u> | | |

Randolph County, North Carolina
1995 Capital Reserve - Mental Health and County School Facilities Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2007

| | Project Authorization | Prior Year | Actual Current Year | Total to Date | Variance Positive (Negative) |
|----------------------------------------------------------------------|--------------------------|---------------|---------------------------|------------------|------------------------------------|
| Revenues | | | | | |
| Investment Earnings | \$ - | \$ 1,171,471 | \$ 94,673 | \$ 1,266,144 | \$ 1,266,144 |
| Other financing sources (uses): | | | | | |
| Transfers in: | | | | | |
| General Fund | 30,301,950 | 15,771,050 | 1,442,950 | 17,214,000 | (13,087,950) |
| Transfers out: | | | | | |
| General Fund | (30,301,950) | (15,870,754) | (1,492,015) | (17,362,769) | 12,939,181 |
| Total other financing sources (uses) | - | (99,704) | (49,065) | (148,769) | (148,769) |
| Revenues and other financing sources over other financing uses | \$ - | \$ 1,071,767 | 45,608 | \$ 1,117,375 | \$ 1,117,375 |
| Fund balance: | | | | | |
| Beginning of year, July 1 | | | 1,071,767 | | |
| End of Year, June 30 | | | \$ 1,117,375 | | |

Randolph County, North Carolina
Economic Development Reserve
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2007

| | Project Authorization | Prior Year | Actual Current Year | Total to Date | Variance Positive (Negative) |
|---------------------------------------------------|--------------------------|---------------|---------------------------|------------------|------------------------------------|
| Revenues | | | | | |
| Investment Earnings | \$ - | \$ 31,651 | \$ 75,172 | \$ 106,823 | \$ 106,823 |
| Other financing sources (uses): | | | | | |
| Transfers in: | | | | | |
| General Fund | 3,400,000 | 835,920 | 850,500 | 1,686,420 | (1,713,580) |
| Transfers out: | | | | | |
| General Fund | (3,400,000) | (23,629) | (230,996) | (254,625) | 3,145,375 |
| Total other financing sources (uses) | - | 812,291 | 619,504 | 1,431,795 | 1,431,795 |
| Revenues and other financing sources over uses | \$ - | \$ 843,942 | 694,676 | \$ 1,538,618 | \$ 1,538,618 |
| Fund balance: | | | | | |
| Beginning of year, July 1 | | | 843,942 | | |
| End of Year, June 30 | | | \$ 1,538,618 | | |

Randolph County, North Carolina
Rural Water Infrastructure Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2007

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Variance Positive (Negative) |
|---------------------------------------------------------|--------------------------|----------------|---------------------------|-------------------|------------------------------------|
| Revenues | | | | | |
| Investment earnings | \$ - | \$ - | \$ 8,530 | \$ 8,530 | \$ 8,530 |
| Total revenues | <u>-</u> | <u>-</u> | <u>8,530</u> | <u>8,530</u> | <u>8,530</u> |
| Expenditures | | | | | |
| Contribution to Town of Franklinville | | | | | |
| Highway 22 Water Line | 2,232,100 | - | 185,865 | 185,865 | 2,046,235 |
| Total expenditures | <u>2,232,100</u> | <u>-</u> | <u>185,865</u> | <u>185,865</u> | <u>2,046,235</u> |
| Revenues under expenditures | <u>(2,232,100)</u> | <u>-</u> | <u>(177,335)</u> | <u>(177,335)</u> | <u>2,054,765</u> |
| Other financing sources: | | | | | |
| Installment Purchase Debt Issued | 1,810,100 | - | - | - | (1,810,100) |
| Transfers from General Fund | 300,000 | - | - | - | (300,000) |
| Transfer from County Schools | | | | | |
| Project | 422,000 | - | 422,000 | 422,000 | - |
| Transfers to General Fund | <u>(300,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>300,000</u> |
| Total other financing sources | <u>2,232,100</u> | <u>-</u> | <u>422,000</u> | <u>422,000</u> | <u>(1,810,100)</u> |
| Revenues and other sources over (under) expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>244,665</u> | <u>\$ 244,665</u> | <u>\$ 244,665</u> |
| Fund balances: | | | | | |
| Beginning of year, July 1 | | | <u>-</u> | | |
| End of year, June 30 | | | <u>\$ 244,665</u> | | |

Randolph County, North Carolina
Asheboro City Schools Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2007

| | Project Authorization | Actual | | Total to Date | Variance Positive (Negative) |
|--------------------------------------|--------------------------|------------------|--------------------|--------------------|------------------------------------|
| | | Prior Years | Current Year | | |
| Revenues | | | | | |
| Restricted Intergovernmental | | | | | |
| Public School Building Capital | | | | | |
| Fund | \$ 217,500 | \$ - | \$ 157,651 | \$ 157,651 | \$ (59,849) |
| Investment earnings | - | - | 119,247 | 119,247 | 119,247 |
| Total revenues | <u>217,500</u> | <u>-</u> | <u>276,898</u> | <u>276,898</u> | <u>59,398</u> |
| Expenditures | | | | | |
| Education: | | | | | |
| Teachey Elementary Renovation | | | | | |
| Professional services | 352,388 | 299,490 | 49,302 | 348,792 | 3,596 |
| Other Services | 30,000 | 27,227 | 32,247 | 59,474 | (29,474) |
| Miscellaneous | 165,384 | 3,375 | 23,127 | 26,502 | 138,882 |
| General Construction | 4,877,228 | 479,540 | 4,047,715 | 4,527,255 | 349,973 |
| Less sales tax | | | (60,686) | (60,686) | 60,686 |
| Other Projects | 290,000 | - | 210,201 | 210,201 | 79,799 |
| Total expenditures | <u>5,715,000</u> | <u>809,632</u> | <u>4,301,906</u> | <u>5,111,538</u> | <u>603,462</u> |
| Revenues over (under) | | | | | |
| expenditures | <u>(5,497,500)</u> | <u>(809,632)</u> | <u>(4,025,008)</u> | <u>(4,834,640)</u> | <u>662,860</u> |
| Other financing sources (uses): | | | | | |
| Installment Purchase Debt Issued | 5,425,000 | - | 5,425,000 | 5,425,000 | - |
| Transfer from General Fund | 901,102 | 809,632 | 72,500 | 882,132 | (18,970) |
| Transfer to General Fund | <u>(828,602)</u> | <u>-</u> | <u>(809,632)</u> | <u>(809,632)</u> | <u>18,970</u> |
| Total other financing sources | <u>5,497,500</u> | <u>809,632</u> | <u>4,687,868</u> | <u>5,497,500</u> | <u>-</u> |
| Revenues and other financing sources | | | | | |
| over (under) expenditures and other | | | | | |
| financing uses | <u>\$ -</u> | <u>\$ -</u> | <u>662,860</u> | <u>\$ 662,860</u> | <u>\$ 662,860</u> |
| Fund balances: | | | | | |
| Beginning of year, July 1 | | | <u>-</u> | | |
| End of year, June 30 | | | <u>\$ 662,860</u> | | |

Randolph County, North Carolina
Technology Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2007

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Variance Positive (Negative) |
|---------------------------------------------------------|--------------------------|-------------------|---------------------------|---------------------|------------------------------------|
| Revenues | | | | | |
| Restricted Intergovernmental | \$ 39,324 | \$ - | \$ - | \$ - | \$ (39,324) |
| Investment earnings | - | 35,363 | 48,285 | 83,648 | 83,648 |
| Miscellaneous | 18,677 | - | - | - | (18,677) |
| Total revenues | <u>58,001</u> | <u>35,363</u> | <u>48,285</u> | <u>83,648</u> | <u>25,647</u> |
| Expenditures | | | | | |
| Capital Outlay: | | | | | |
| 2005 Work Plan | 547,500 | 45,971 | - | 45,971 | 501,529 |
| 2006 Work Plan | 510,000 | 206,984 | 105,244 | 312,228 | 197,772 |
| 2007 Work Plan | 658,001 | - | 21,429 | 21,429 | 636,572 |
| Total expenditures | <u>1,715,501</u> | <u>252,955</u> | <u>126,673</u> | <u>379,628</u> | <u>1,335,873</u> |
| Revenues over (under) expenditures | <u>(1,657,500)</u> | <u>(217,592)</u> | <u>(78,388)</u> | <u>(295,980)</u> | <u>1,361,520</u> |
| Other financing sources: | | | | | |
| Transfer from General Fund | <u>1,657,500</u> | <u>1,057,500</u> | <u>600,000</u> | <u>1,657,500</u> | <u>-</u> |
| Total other financing sources | <u>1,657,500</u> | <u>1,057,500</u> | <u>600,000</u> | <u>1,657,500</u> | <u>-</u> |
| Revenues and other sources over (under) expenditures | <u>\$ -</u> | <u>\$ 839,908</u> | 521,612 | <u>\$ 1,361,520</u> | <u>\$ 1,361,520</u> |
| Fund balances: | | | | | |
| Beginning of year, July 1 | | | <u>839,908</u> | | |
| End of year, June 30 | | | <u>\$ 1,361,520</u> | | |



Agency Funds

Agency Funds account for transactions related to assets held by the County as trustee or agent for other governments, individuals, private organizations or other funds.

AGENCY FUNDS

Social Services Custodial Fund - accounts for monies held by the Department of Social Services as agent for the benefit of certain individuals in the County.

Fines and Forfeitures - Public Schools - accounts for fines and forfeitures collected by the County that are required to be remitted to the Asheboro City and Randolph County Boards of Education.

Fines and Forfeitures - State of NC - accounts for additional interest on overdue motor vehicle taxes collected by the County that are required to be remitted to the State of North Carolina.

City of Trinity Tax Fund, City of Asheboro Tax Fund, City of Randleman Tax Fund, Town of Liberty Tax Fund, Town of Seagrove Tax Fund, Town of Staley Tax Fund, City of Archdale Tax Fund, Town of Ramseur Tax Fund, City of High Point Tax Fund, Town of Franklinville Tax Fund and City of Thomasville Tax Fund - accounts for the collection and disbursement of taxes levied by the Cities and Towns.

Asheboro School District Tax Fund and Archdale-Trinity School District Tax Fund - accounts for voter-approved supplemental property taxes levied to provide additional school needs.

Town Library Fund - accounts for monies held by the County as trustee for certain town libraries in the County.

Detention Center Commissary Fund - accounts for monies held by the County as agent for inmates of the County jail.



Randolph County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2007

| | Balance June 30, 2006 | Additions | Deductions | Balance June 30, 2007 |
|-----------------------------------------------|--------------------------|---------------|---------------|--------------------------|
| <u>Social Services Custodial Fund</u> | | | | |
| ASSETS | | | | |
| Cash and Investments | \$ 100,524 | \$ 749,191 | \$ 755,456 | \$ 94,259 |
| LIABILITIES | | | | |
| Miscellaneous Liabilities | \$ 100,524 | \$ 749,191 | \$ 755,456 | \$ 94,259 |
| <u>Fines and Forfeitures - Public Schools</u> | | | | |
| ASSETS | | | | |
| Cash and Investments | \$ - | \$ 1,379,583 | \$ 1,379,583 | \$ - |
| LIABILITIES | | | | |
| Intergovernmental Payables | \$ - | \$ 1,379,583 | \$ 1,379,583 | \$ - |
| <u>Fines and Forfeitures - State of N.C.</u> | | | | |
| ASSETS | | | | |
| Cash and Investments | \$ 3,800 | \$ 63,609 | \$ 60,865 | \$ 6,544 |
| LIABILITIES | | | | |
| Intergovernmental Payables | \$ 3,800 | \$ 63,609 | \$ 60,865 | \$ 6,544 |
| <u>City of Asheboro Tax Fund</u> | | | | |
| ASSETS | | | | |
| Taxes Receivable | \$ 383,392 | \$ 10,360,642 | \$ 10,343,999 | \$ 400,035 |
| Due from General Fund | 111,718 | 134,063 | 111,718 | 134,063 |
| Total Assets | \$ 495,110 | \$ 10,494,705 | \$ 10,455,717 | \$ 534,098 |
| LIABILITIES | | | | |
| Intergovernmental Payables | \$ 495,110 | \$ 10,494,705 | \$ 10,455,717 | \$ 534,098 |

Randolph County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2007

| | Balance June 30, 2006 | Additions | Deductions | Balance June 30, 2007 |
|---------------------------------------|--------------------------|---------------------|---------------------|--------------------------|
| <u>City of Archdale Tax Fund</u> | | | | |
| ASSETS | | | | |
| Taxes Receivable | \$ 67,538 | \$ 2,295,914 | \$ 2,294,490 | \$ 68,962 |
| Due from General Fund | 25,019 | 28,453 | 25,019 | 28,453 |
| Total Assets | <u>\$ 92,557</u> | <u>\$ 2,324,367</u> | <u>\$ 2,319,509</u> | <u>\$ 97,415</u> |
| LIABILITIES | | | | |
| Intergovernmental Payables | <u>\$ 92,557</u> | <u>\$ 2,324,367</u> | <u>\$ 2,319,509</u> | <u>\$ 97,415</u> |
| <u>Town of Franklinville Tax Fund</u> | | | | |
| ASSETS | | | | |
| Taxes Receivable | \$ 18,209 | \$ 128,628 | \$ 130,061 | \$ 16,776 |
| Due from General Fund | 3,133 | 2,378 | 3,133 | 2,378 |
| Total Assets | <u>\$ 21,342</u> | <u>\$ 131,006</u> | <u>\$ 133,194</u> | <u>\$ 19,154</u> |
| LIABILITIES | | | | |
| Intergovernmental Payables | <u>\$ 21,342</u> | <u>\$ 131,006</u> | <u>\$ 133,194</u> | <u>\$ 19,154</u> |
| <u>Town of Liberty Tax Fund</u> | | | | |
| ASSETS | | | | |
| Taxes Receivable | \$ 38,828 | \$ 862,068 | \$ 858,927 | \$ 41,969 |
| Due from General Fund | 12,994 | 13,174 | 12,994 | 13,174 |
| Total Assets | <u>\$ 51,822</u> | <u>\$ 875,242</u> | <u>\$ 871,921</u> | <u>\$ 55,143</u> |
| LIABILITIES | | | | |
| Intergovernmental Payables | <u>\$ 51,822</u> | <u>\$ 875,242</u> | <u>\$ 871,921</u> | <u>\$ 55,143</u> |
| <u>Town of Ramseur Tax Fund</u> | | | | |
| ASSETS | | | | |
| Taxes Receivable | \$ 15,317 | \$ 52,017 | \$ 50,298 | \$ 17,036 |
| Due from General Fund | 3,499 | 4,098 | 3,499 | 4,098 |
| Total Assets | <u>\$ 18,816</u> | <u>\$ 56,115</u> | <u>\$ 53,797</u> | <u>\$ 21,134</u> |
| LIABILITIES | | | | |
| Intergovernmental Payables | <u>\$ 18,816</u> | <u>\$ 56,115</u> | <u>\$ 53,797</u> | <u>\$ 21,134</u> |

Randolph County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2007

| | Balance June 30, 2006 | Additions | Deductions | Balance June 30, 2007 |
|------------------------------------|--------------------------|---------------------|---------------------|--------------------------|
| <u>City of Randleman Tax Fund</u> | | | | |
| ASSETS | | | | |
| Taxes Receivable | \$ 43,984 | \$ 1,761,886 | \$ 1,759,000 | \$ 46,870 |
| Due from General Fund | 15,630 | 17,391 | 15,630 | 17,391 |
| Total Assets | <u>\$ 59,614</u> | <u>\$ 1,779,277</u> | <u>\$ 1,774,630</u> | <u>\$ 64,261</u> |
| LIABILITIES | | | | |
| Intergovernmental Payables | <u>\$ 59,614</u> | <u>\$ 1,779,277</u> | <u>\$ 1,774,630</u> | <u>\$ 64,261</u> |
| <u>Town of Seagrove Tax Fund</u> | | | | |
| ASSETS | | | | |
| Taxes Receivable | \$ 2,802 | \$ 100,324 | \$ 98,374 | \$ 4,752 |
| Due from General Fund | 2,317 | 750 | 2,317 | 750 |
| Total Assets | <u>\$ 5,119</u> | <u>\$ 101,074</u> | <u>\$ 100,691</u> | <u>\$ 5,502</u> |
| LIABILITIES | | | | |
| Intergovernmental Payables | <u>\$ 5,119</u> | <u>\$ 101,074</u> | <u>\$ 100,691</u> | <u>\$ 5,502</u> |
| <u>Town of Staley Tax Fund</u> | | | | |
| ASSETS | | | | |
| Taxes Receivable | \$ 1,314 | \$ 24,384 | \$ 24,115 | \$ 1,583 |
| Due from General Fund | 428 | 347 | 428 | 347 |
| Total Assets | <u>\$ 1,742</u> | <u>\$ 24,731</u> | <u>\$ 24,543</u> | <u>\$ 1,930</u> |
| LIABILITIES | | | | |
| Intergovernmental Payables | <u>\$ 1,742</u> | <u>\$ 24,731</u> | <u>\$ 24,543</u> | <u>\$ 1,930</u> |
| <u>City of High Point Tax Fund</u> | | | | |
| ASSETS | | | | |
| Taxes Receivable | \$ 3,344 | \$ 13,387 | \$ 13,221 | \$ 3,510 |
| Due from General Fund | 317 | 3,635 | 317 | 3,635 |
| Total Assets | <u>\$ 3,661</u> | <u>\$ 17,022</u> | <u>\$ 13,538</u> | <u>\$ 7,145</u> |
| LIABILITIES | | | | |
| Intergovernmental Payables | <u>\$ 3,661</u> | <u>\$ 17,022</u> | <u>\$ 13,538</u> | <u>\$ 7,145</u> |

Randolph County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2007

| | Balance June 30, 2006 | Additions | Deductions | Balance June 30, 2007 |
|--------------------------------------------------|--------------------------|---------------------|---------------------|--------------------------|
| <u>City of Thomasville Tax Fund</u> | | | | |
| ASSETS | | | | |
| Taxes Receivable | \$ 423 | \$ 3,307 | \$ 3,381 | \$ 349 |
| Due from General Fund | 18 | 326 | 18 | 326 |
| Total Assets | <u>\$ 441</u> | <u>\$ 3,633</u> | <u>\$ 3,399</u> | <u>\$ 675</u> |
| LIABILITIES | | | | |
| Intergovernmental Payables | <u>\$ 441</u> | <u>\$ 3,633</u> | <u>\$ 3,399</u> | <u>\$ 675</u> |
| <u>City of Trinity Tax Fund</u> | | | | |
| ASSETS | | | | |
| Taxes Receivable | \$ 8,094 | \$ 446,887 | \$ 441,384 | \$ 13,597 |
| Due from General Fund | 4,343 | 8,303 | 4,343 | 8,303 |
| Total Assets | <u>\$ 12,437</u> | <u>\$ 455,190</u> | <u>\$ 445,727</u> | <u>\$ 21,900</u> |
| LIABILITIES | | | | |
| Intergovernmental Payables | <u>\$ 12,437</u> | <u>\$ 455,190</u> | <u>\$ 445,727</u> | <u>\$ 21,900</u> |
| <u>Asheboro School District Tax Fund</u> | | | | |
| ASSETS | | | | |
| Taxes Receivable | \$ 95,930 | \$ 2,721,621 | \$ 2,716,080 | \$ 101,471 |
| Due from General Fund | 34,473 | 2,394,369 | 2,387,007 | 41,835 |
| Total Assets | <u>\$ 130,403</u> | <u>\$ 5,115,990</u> | <u>\$ 5,103,087</u> | <u>\$ 143,306</u> |
| LIABILITIES | | | | |
| Intergovernmental Payables | <u>\$ 130,403</u> | <u>\$ 5,115,990</u> | <u>\$ 5,103,087</u> | <u>\$ 143,306</u> |
| <u>Archdale-Trinity School District Tax Fund</u> | | | | |
| ASSETS | | | | |
| Taxes Receivable | \$ 60,807 | \$ 1,737,874 | \$ 1,736,396 | \$ 62,285 |
| Due from General Fund | 25,471 | 1,488,015 | 1,485,231 | 28,255 |
| Total Assets | <u>\$ 86,278</u> | <u>\$ 3,225,889</u> | <u>\$ 3,221,627</u> | <u>\$ 90,540</u> |
| LIABILITIES | | | | |
| Intergovernmental Payables | <u>\$ 86,278</u> | <u>\$ 3,225,889</u> | <u>\$ 3,221,627</u> | <u>\$ 90,540</u> |

Randolph County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2007

| | Balance June 30, 2006 | Additions | Deductions | Balance June 30, 2007 |
|-----------------------------------------|--------------------------|---------------|---------------|--------------------------|
| <u>Town Library Fund</u> | | | | |
| ASSETS | | | | |
| Cash and Investments | \$ 36,001 | \$ 152,616 | \$ 137,988 | \$ 50,629 |
| LIABILITIES | | | | |
| Miscellaneous Liabilities | \$ 36,001 | \$ 152,616 | \$ 137,988 | \$ 50,629 |
| <u>Detention Center Commissary Fund</u> | | | | |
| ASSETS | | | | |
| Cash and Investments | \$ 5,499 | \$ 23,899 | \$ 9,014 | \$ 20,384 |
| Accounts Receivable | 13,150 | 2,304 | 136 | 15,318 |
| Total Assets | \$ 18,649 | \$ 26,203 | \$ 9,150 | \$ 35,702 |
| LIABILITIES | | | | |
| Miscellaneous Liabilities | \$ 18,649 | \$ 13,974 | \$ 9,150 | \$ 23,473 |
| Due to General Fund | | 12,229 | | 12,229 |
| Total Liabilities | \$ 18,649 | \$ 26,203 | \$ 9,150 | \$ 35,702 |
| <u>Totals - All Agency Funds</u> | | | | |
| ASSETS | | | | |
| Cash and Investments | \$ 145,824 | \$ 2,368,898 | \$ 2,342,906 | \$ 171,816 |
| Accounts Receivable | 13,150 | 2,304 | 136 | 15,318 |
| Taxes Receivable | 739,982 | 20,508,939 | 20,469,726 | 779,195 |
| Due from General Fund | 239,360 | 4,095,302 | 4,051,654 | 283,008 |
| Total Assets | \$ 1,138,316 | \$ 26,975,443 | \$ 26,864,422 | \$ 1,249,337 |
| LIABILITIES | | | | |
| Miscellaneous Liabilities | \$ 155,174 | \$ 915,781 | \$ 902,594 | \$ 168,361 |
| Intergovernmental Payables | 983,142 | 26,047,433 | 25,961,828 | 1,068,747 |
| Due to General Fund | - | 12,229 | - | 12,229 |
| Total Liabilities | \$ 1,138,316 | \$ 26,975,443 | \$ 26,864,422 | \$ 1,249,337 |





Capital Assets Used in the Operation of Governmental Funds



Randolph County, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules By Source
June 30, 2007

| | 2007 | 2006 |
|----------------------------------------------------------------|---------------|---------------|
| Governmental Funds Capital Assets: | | |
| Land | \$ 2,937,830 | \$ 2,937,830 |
| Buildings | 36,930,679 | 36,684,522 |
| Improvements | 469,849 | 450,695 |
| Equipment | 7,087,578 | 6,763,782 |
| Vehicles | 5,827,825 | 5,362,398 |
| Construction in Progress | - | - |
| Total Governmental Funds Capital Assets | \$ 53,253,761 | \$ 52,199,227 |
| Investment in Governmental Funds Capital Assets By Source: | | |
| General Fund | \$ 27,229,582 | \$ 26,218,600 |
| Special Revenue Funds | 1,046,991 | 1,027,060 |
| Capital Project Funds | 24,886,683 | 24,869,072 |
| Donations | 90,505 | 84,495 |
| | \$ 53,253,761 | \$ 52,199,227 |

Randolph County, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function And Activity
June 30, 2007

| <u>Function and Activity</u> | <u>Land</u> | <u>Buildings</u> | <u>Land Improvements</u> |
|-----------------------------------------|---------------------|----------------------|------------------------------|
| General Government | | | |
| Administration | \$ - | \$ - | \$ - |
| Computer Services | | | |
| Tax | | | |
| Elections | | | |
| Register of Deeds | | | |
| Public Buildings | <u>1,957,799</u> | <u>24,159,221</u> | <u>289,043</u> |
| | <u>1,957,799</u> | <u>24,159,221</u> | <u>289,043</u> |
| Public Safety | | | |
| Sheriff and Jail | | 8,641,855 | |
| Emergency Services | 43,000 | 373,015 | |
| Inspections | | | |
| Day Reporting Center | - | 87,053 | - |
| | <u>43,000</u> | <u>9,101,923</u> | <u>-</u> |
| Economic and Physical Development | | | |
| Planning and Zoning | | | |
| Cooperative Extension | | | |
| Soil and Water Conservation | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| Environmental Protection | | | |
| Public Works | <u>842,435</u> | <u>1,011,533</u> | <u>161,652</u> |
| Human Services | | | |
| Public Health | | | 19,154 |
| Social Services | | 1,109,438 | |
| Mental Health | 81,366 | 822,700 | - |
| | <u>81,366</u> | <u>1,932,138</u> | <u>19,154</u> |
| Cultural and Recreational | | | |
| Public Library | <u>13,230</u> | <u>725,864</u> | <u>-</u> |
| Total Governmental Funds Capital Assets | <u>\$ 2,937,830</u> | <u>\$ 36,930,679</u> | <u>\$ 469,849</u> |

| <u>Equipment</u> | <u>Vehicles</u> | <u>Construction in Progress</u> | <u>Total</u> |
|---------------------|---------------------|-------------------------------------|----------------------|
| \$ 194,618 | \$ - | \$ - | \$ 194,618 |
| 1,385,951 | | | 1,385,951 |
| 18,147 | 101,748 | | 119,895 |
| 884,415 | | | 884,415 |
| 310,578 | | | 310,578 |
| 74,734 | 208,172 | - | 26,688,969 |
| <u>2,868,443</u> | <u>309,920</u> | <u>-</u> | <u>29,584,426</u> |
| 1,414,101 | 3,406,238 | | 13,462,194 |
| 2,030,610 | 1,397,031 | | 3,843,656 |
| 8,215 | 175,009 | | 183,224 |
| 6,100 | 174,267 | - | 267,420 |
| <u>3,459,026</u> | <u>5,152,545</u> | <u>-</u> | <u>17,756,494</u> |
| | 66,673 | | 66,673 |
| 10,000 | 21,182 | | 31,182 |
| - | 29,709 | - | 29,709 |
| <u>10,000</u> | <u>117,564</u> | <u>-</u> | <u>127,564</u> |
| <u>78,549</u> | <u>84,973</u> | <u>-</u> | <u>2,179,142</u> |
| 97,901 | 36,349 | | 153,404 |
| 113,713 | 54,771 | | 1,277,922 |
| - | - | - | 904,066 |
| <u>211,614</u> | <u>91,120</u> | <u>-</u> | <u>2,335,392</u> |
| <u>459,946</u> | <u>71,703</u> | <u>-</u> | <u>1,270,743</u> |
| <u>\$ 7,087,578</u> | <u>\$ 5,827,825</u> | <u>\$ -</u> | <u>\$ 53,253,761</u> |

Randolph County, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Schedule Of Changes By Function And Activity
For the Fiscal Year Ended June 30, 2007

| <u>Function and Activity</u> | Governmental Funds Capital Assets <u>June 30, 2006</u> | <u>Additions</u> | <u>Deductions</u> | <u>Transfers</u> | Governmental Funds Capital Assets <u>June 30, 2007</u> |
|----------------------------------------------------|-----------------------------------------------------------------|---------------------|-------------------|------------------|-----------------------------------------------------------------|
| General Government: | | | | | |
| Administration | \$ 194,618 | \$ - | \$ - | \$ - | \$ 194,618 |
| Computer Services | 1,305,201 | 80,750 | | | 1,385,951 |
| Tax | 119,895 | | | | 119,895 |
| Elections | 884,415 | | | | 884,415 |
| Register of Deeds | 251,760 | 58,818 | | | 310,578 |
| Public Buildings | 26,466,347 | 222,622 | - | - | 26,688,969 |
| Total General Government | <u>29,222,236</u> | <u>362,190</u> | <u>-</u> | <u>-</u> | <u>29,584,426</u> |
| Public Safety: | | | | | |
| Sheriff and Jail | 12,963,346 | 619,127 | 120,279 | | 13,462,194 |
| Emergency Services | 3,783,630 | 276,830 | 216,804 | | 3,843,656 |
| Inspections | 163,759 | 19,465 | | | 183,224 |
| Day Reporting Center | 247,520 | 19,900 | - | - | 267,420 |
| Total Public Safety | <u>17,158,255</u> | <u>935,322</u> | <u>337,083</u> | <u>-</u> | <u>17,756,494</u> |
| Economic and Physical Development | | | | | |
| Planning and Zoning | 66,673 | | | | 66,673 |
| Cooperative Extension | 31,182 | | | | 31,182 |
| Soil and Water Conservation | - | 29,709 | - | - | 29,709 |
| Total Economic and Physical Development | <u>97,855</u> | <u>29,709</u> | <u>-</u> | <u>-</u> | <u>127,564</u> |
| Environmental Protection | | | | | |
| Public Works | 2,152,287 | 26,855 | - | - | 2,179,142 |
| Human Services | | | | | |
| Public Health | 134,250 | 19,154 | | | 153,404 |
| Social Services | 1,277,922 | | | | 1,277,922 |
| Mental Health | 904,066 | - | - | - | 904,066 |
| Total Human Services | <u>2,316,238</u> | <u>19,154</u> | <u>-</u> | <u>-</u> | <u>2,335,392</u> |
| Culture and Recreation | | | | | |
| Public Library | 1,252,356 | 18,387 | - | - | 1,270,743 |
| Total Governmental Funds Capital Assets | <u>\$ 52,199,227</u> | <u>\$ 1,391,617</u> | <u>\$ 337,083</u> | <u>\$ -</u> | <u>\$ 53,253,761</u> |



Other Supplemental Information

The other supplemental schedules highlight various details of specific financial statement data for ad valorem property taxes and interfund transfers.

Randolph County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2007

| Fiscal Year | Uncollected Balance June 30, 2006 | Additions | Collections And Credits | Uncollected Balance June 30, 2007 |
|--------------------------------------------------------------------------------------------|-----------------------------------------|---------------|----------------------------|-----------------------------------------|
| 2006-2007 | \$ - | \$ 47,484,095 | \$ 46,634,878 | \$ 849,217 |
| 2005-2006 | 937,413 | | 385,971 | 551,442 |
| 2004-2005 | 525,285 | | 478,639 | 46,646 |
| 2003-2004 | 29,955 | | 1,668 | 28,287 |
| 2002-2003 | 79,768 | | 4,757 | 75,011 |
| 2001-2002 | 37,551 | | 9,107 | 28,444 |
| 2000-2001 | 45,587 | | 5,590 | 39,997 |
| 1999-2000 | 29,883 | | 508 | 29,375 |
| 1998-1999 | 24,106 | | 1,343 | 22,763 |
| 1997-1998 | 18,109 | | 893 | 17,216 |
| 1996-1997 | 24,324 | - | 24,324 | - |
| | \$ 1,751,981 | \$ 47,484,095 | \$ 47,547,678 | 1,688,398 |
| Plus: uncollected 2007-2008 ad valorem taxes receivable on annually registered vehicles | | | | 316,355 |
| Less: allowance for uncollectible accounts: General Fund | | | | (428,000) |
| Ad valorem taxes receivable - net: General Fund | | | | \$ 1,576,753 |
| <u>Reconciliation with revenues:</u> | | | | |
| Ad valorem taxes - General Fund | | | | \$ 47,322,541 |
| Reconciling items: | | | | |
| Interest collected | | | | (258,869) |
| Discounts allowed | | | | 443,806 |
| Releases and adjustments | | | | 16,038 |
| Taxes written off | | | | 24,162 |
| Total reconciling items | | | | 225,137 |
| Total collections and credits | | | | \$ 47,547,678 |

Randolph County, North Carolina
Analysis of Current Tax Levy
County-wide Levy
For the Fiscal Year Ended June 30, 2007

| | 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 | \$ 8,280,715,434 | \$0.5350 | \$ 44,301,828 | \$ 40,506,523 | \$ 3,795,305 |
| Motor vehicles taxed at prior year's rate | 375,256,577 | 0.5250 | 1,970,097 | | 1,970,097 |
| Penalties | - | | 104,487 | 104,487 | - |
| Total | <u>8,655,972,011</u> | | <u>46,376,412</u> | <u>40,611,010</u> | <u>5,765,402</u> |
| Discoveries: | | | | | |
| Current year taxes | <u>253,092,279</u> | 0.5350 | <u>1,354,044</u> | <u>1,354,044</u> | - |
| Abatements | <u>(46,048,738)</u> | | <u>(246,361)</u> | <u>(134,904)</u> | <u>(111,457)</u> |
| Total property valuation | <u>\$ 8,863,015,552</u> | | | | |
| Net levy | | | 47,484,095 | 41,830,150 | 5,653,945 |
| Uncollected taxes at June 30, 2007 | | | <u>849,217</u> | <u>213,813</u> | <u>635,404</u> |
| Current year's taxes collected | | | <u>\$ 46,634,878</u> | <u>\$ 41,616,337</u> | <u>\$ 5,018,541</u> |
| Current levy collection percentage | | | <u>98.21%</u> | <u>99.49%</u> | <u>88.76%</u> |

Secondary Market Disclosures:

| | |
|-------------------------------------------------------------------|--------------------|
| Assessed Valuation: | |
| Assessment Ratio ¹ | 100% |
| Real Property | \$ 6,681,818,960 |
| Personal Property | 1,965,855,267 |
| Public Service Companies ² | <u>215,341,325</u> |
| Total Assessed Valuation | 8,863,015,552 |
| Tax Rate per \$100 | 0.535 |
| Levy (includes discoveries, releases and abatements) ³ | \$ 47,484,095 |

¹ Percentage of appraised value has been established by statute.

² Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

³ The levy includes interest and penalties.

Randolph County, North Carolina
Schedule of Current Tax Levy -
Special Districts
For the Fiscal Year Ended June 30, 2007

In addition to the County-wide rate, this table lists the levies by the County on behalf of school districts and fire protection districts for the fiscal year.

| | <u>Net Valuation</u> | <u>Net Levy</u> |
|-----------------------------------|------------------------------------|--------------------------------|
| School Districts: | | |
| Asheboro School District | \$ 1,935,778,159 | \$ 2,681,053 |
| Archdale-Trinity School District | <u>2,006,113,506</u> | <u>1,705,196</u> |
| | <u>3,941,891,665</u> | <u>4,386,249</u> |
| Fire Protection Districts: | | |
| Fairgrove Fire District | 297,484,431 | 193,365 |
| Guil-Rand Fire District | 1,785,979,660 | 1,785,980 |
| Climax Fire District | 402,348,065 | 374,184 |
| Julian Fire District | 75,761,260 | 75,761 |
| Westside Fire District | 573,807,916 | 515,081 |
| Eastside Fire District | 412,823,000 | 288,976 |
| Level Cross Fire District | 207,038,840 | 207,039 |
| Ulah Fire District | 445,401,918 | 271,695 |
| Seagrove Fire District | 157,070,216 | 152,358 |
| Staley Fire District | 139,808,010 | 139,808 |
| Randleman Fire District | 205,139,880 | 205,140 |
| Tabernacle Fire District | 207,127,471 | 180,201 |
| Northeast Fire District | 117,921,147 | 80,186 |
| Sophia Fire District | 110,265,070 | 110,265 |
| Coleridge Fire District | 193,333,205 | 141,133 |
| Franklinville Fire District | 408,754,662 | 265,691 |
| Bennett Fire District | 34,250,457 | 23,975 |
| Farmer Fire District | 159,119,707 | 119,340 |
| Southwest Fire District | 54,448,520 | 54,449 |
| | <u>5,987,883,435</u> | <u>5,184,627</u> |
| Total Special District Levies | <u><u>\$ 9,929,775,100</u></u> | <u><u>\$ 9,570,876</u></u> |



STATISTICAL SECTION

This section of Randolph County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented Statement 34 in 2003; schedules presenting government-wide information begin in that year.



Schedule 1

Randolph County, North Carolina
Net Assets by Component,
Last Five Fiscal Years
 (accrual basis of accounting)

| | Fiscal Year | | | | |
|-------------------------------------------------|-----------------------|-----------------------|---------------------|----------------------|---------------------|
| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
| Governmental activities | | | | | |
| Invested in capital assets, net of related debt | \$ 25,240,615 | \$ 21,581,815 | \$ 23,461,269 | \$ 25,053,217 | \$ 37,308,221 |
| Restricted | | | | | |
| General Government | 107,378 | 91,852 | 79,907 | 109,229 | 134,433 |
| Public Safety | 2,666,477 | 2,196,398 | 1,954,924 | 2,536,333 | 2,930,460 |
| Human Services | 1,229,792 | 1,404,061 | 1,614,182 | 1,752,954 | 1,972,273 |
| Cultural and Recreational | | | 91,202 | 85,571 | 100,140 |
| School Construction | | | | | 21,136,050 |
| Unrestricted | <u>(36,237,284)</u> | <u>(27,797,538)</u> | <u>(21,124,330)</u> | <u>(14,528,602)</u> | <u>(57,347,289)</u> |
| Total primary government net assets | <u>\$ (6,993,022)</u> | <u>\$ (2,523,412)</u> | <u>\$ 6,077,154</u> | <u>\$ 15,008,702</u> | <u>\$ 6,234,288</u> |

Note: Accrual-basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement 34 was implemented.

Randolph County, North Carolina
Changes in Net Assets,
Last Five Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | |
|-------------------------------------------|--------------------|-------------------|-------------------|
| | <u>2003</u> | <u>2004</u> | <u>2005</u> |
| Expenses | | | |
| Governmental activities: | | | |
| General government | \$ 7,820,572 | \$ 10,026,294 | \$ 8,293,182 |
| Public safety | 19,722,191 | 20,518,846 | 22,367,554 |
| Economic and physical development | 1,296,627 | 1,619,775 | 2,028,595 |
| Environmental protection | 3,298,341 | 3,192,249 | 3,131,299 |
| Human services | 35,602,604 | 24,071,313 | 25,970,858 |
| Cultural and recreation | 1,416,169 | 1,482,224 | 1,599,807 |
| Education | 23,130,436 | 20,582,034 | 22,526,568 |
| Interest on long-term debt | 4,971,764 | 4,899,065 | 4,470,737 |
| Total primary government expenses | <u>97,258,704</u> | <u>86,391,800</u> | <u>90,388,600</u> |
| Program Revenues | | | |
| Governmental activities: | | | |
| Charges for services: | | | |
| General government | 1,331,878 | 1,331,851 | 1,236,873 |
| Public safety | 3,763,532 | 4,456,272 | 4,609,549 |
| Economic and physical development | 31,742 | 37,870 | 35,321 |
| Environmental protection | 3,000,755 | 2,852,420 | 2,776,346 |
| Human services | 6,635,118 | 1,230,230 | 1,300,617 |
| Cultural and recreation | 109,537 | 124,733 | 133,942 |
| Operating grants and contributions: | | | |
| General government | 24,933 | 2,000 | 46,087 |
| Public safety | 1,007,384 | 1,082,587 | 1,935,369 |
| Economic and physical development | 90,550 | 86,499 | 404,782 |
| Environmental protection | 203,684 | 199,964 | 193,413 |
| Human services | 16,549,677 | 11,342,505 | 11,916,577 |
| Cultural and recreation | 244,563 | 249,190 | 347,146 |
| Education | 740,414 | | |
| Interest on long-term debt | | 203,072 | 1,279,077 |
| Capital grants and contributions: | | | |
| General Government | | | |
| Public safety | 11,220 | 10,400 | 32,609 |
| Cultural and recreation | | 40,509 | |
| Education | | | |
| Total primary government program revenues | <u>33,744,987</u> | <u>23,250,102</u> | <u>26,247,708</u> |

Schedule 2

| | <u>2006</u> | <u>2007</u> |
|----|-------------------|--------------------|
| \$ | 8,919,465 | \$ 9,336,160 |
| | 22,846,258 | 24,790,755 |
| | 1,990,561 | 2,913,642 |
| | 3,092,969 | 3,201,875 |
| | 27,234,372 | 30,104,317 |
| | 1,731,871 | 1,822,300 |
| | 26,074,526 | 43,723,899 |
| | <u>4,221,094</u> | <u>5,454,998</u> |
| | <u>96,111,116</u> | <u>121,347,946</u> |
| | 1,343,580 | 1,247,146 |
| | 4,948,735 | 5,160,274 |
| | 33,697 | 30,598 |
| | 2,736,402 | 3,027,823 |
| | 1,229,513 | 1,294,637 |
| | 168,817 | 124,473 |
| | 14,957 | 18,317 |
| | 1,284,608 | 1,145,833 |
| | 160,419 | 384,946 |
| | 15,877 | 3,454 |
| | 12,581,548 | 13,836,655 |
| | 280,394 | 222,821 |
| | 1,888,496 | 2,035,648 |
| | 566,005 | |
| | 104,607 | 104,607 |
| | | <u>157,651</u> |
| | <u>27,357,655</u> | <u>28,794,883</u> |

Randolph County, North Carolina
Changes in Net Assets,
Last Five Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | |
|------------------------------------------------------------------------|----------------------------|----------------------------|----------------------------|
| | <u>2003</u> | <u>2004</u> | <u>2005</u> |
| Net (Expense)/Revenue | | | |
| Total primary government net (expense)/revenue | \$ (63,513,717) | \$ (63,141,698) | \$ (64,140,892) |
| General Revenues and Other Changes in Net Assets | | | |
| Governmental activities: | | | |
| Property taxes | 44,534,982 | 46,775,147 | 47,490,811 |
| Local option sales tax | 18,583,664 | 20,348,995 | 21,496,129 |
| Other taxes and licenses | 1,792,707 | 1,433,767 | 1,727,065 |
| Investment earnings | 960,087 | 585,071 | 974,351 |
| Miscellaneous | 100,144 | 1,194,151 | 1,053,102 |
| Total primary government | <u>65,971,584</u> | <u>70,337,131</u> | <u>72,741,458</u> |
| Special Item | | | |
| Contribution of assets from Randolph Mental Health to Sandhills Center | | (2,725,823) | |
| Change in Net Assets | | | |
| Governmental activities | <u>2,457,867</u> | <u>4,469,610</u> | <u>8,600,566</u> |
| Total primary government | <u><u>\$ 2,457,867</u></u> | <u><u>\$ 4,469,610</u></u> | <u><u>\$ 8,600,566</u></u> |

Note: Accrual-basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement 34 was implemented.

Explanatory Information:

2003: Amounts for intergovernmental revenues, interest earnings, and human service expenditures include the operations of Randolph County Mental Health, a single county mental health program which operated as part of the General Fund during 2003; these services were merged into Sandhill Mental Health Program, effective July 1, 2003.

2004: Amounts for general governmental expenditures include \$1,999,728 in noncapitalized costs at the completion of the new county courthouse project.

2006 and 2007: Amounts for education include capital project costs for school construction.

Schedule 2

| <u>2006</u> | <u>2007</u> |
|----------------------------|------------------------------|
| \$ (68,753,461) | (92,553,063) |
| 50,631,937 | 52,455,379 |
| 22,553,119 | 24,373,320 |
| 1,880,040 | 1,938,657 |
| 1,982,485 | 4,050,188 |
| 637,428 | 961,105 |
| <u>77,685,009</u> | <u>83,778,649</u> |
| | |
| <u>8,931,548</u> | <u>(8,774,414)</u> |
| | |
| <u><u>\$ 8,931,548</u></u> | <u><u>\$ (8,774,414)</u></u> |

Randolph County, North Carolina
Fund Balances, Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)

| General Fund Equity | 1998 | 1999 | 2000 | 2001 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Fund Balances: | | | | |
| Reserved: | | | | |
| By State Statute | \$ 5,464,860 | \$ 5,724,170 | \$ 6,101,399 | \$ 6,491,822 |
| For Encumbrances | 4,155,845 | 854,817 | 839,611 | 615,107 |
| For Inventories | 4,747 | 5,658 | 16,736 | 12,332 |
| For Investment for Resale | 4,336 | 4,540 | 4,540 | 4,540 |
| Unreserved: | | | | |
| (Available for Appropriation): | | | | |
| Designated for: | | | | |
| Public Works | 731,741 | 151,347 | 243,550 | - |
| Mental Health Programs | 1,609,905 | 1,140,664 | 682,264 | 1,834,483 |
| Subsequent Year's Expenditures | 1,554,095 | 901,557 | 1,588,762 | 795,793 |
| Undesignated | 11,915,424 | 14,076,820 | 17,569,755 | 18,426,598 |
| Total General Fund Equity | <u>\$ 25,440,953</u> | <u>\$ 22,859,573</u> | <u>\$ 27,046,617</u> | <u>\$ 28,180,675</u> |
| All Other Governmental Funds | | | | |
| Reserved: | | | | |
| By State statute | \$ 148,446 | \$ 231,723 | \$ 788,342 | \$ 1,292,405 |
| For Encumbrances | | 452,150 | 1,200 | |
| Unreserved | | | | |
| Designated | | | | |
| Subsequent Year's Expenditures | | | | |
| Special revenue funds | 6,583,777 | 5,668,750 | 5,863,946 | 4,766,368 |
| Capital Projects | 3,285,340 | 7,198,191 | 52,122,303 | 17,910,603 |
| Total all other governmental funds | <u>\$ 10,017,563</u> | <u>\$ 13,550,814</u> | <u>\$ 58,775,791</u> | <u>\$ 23,969,376</u> |

Schedule 3

| <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 6,364,590 | \$ 7,007,584 | \$ 8,035,392 | \$ 8,775,010 | \$ 8,962,490 | \$ 9,220,076 |
| 1,368,861 | 2,842,760 | 3,621,111 | 3,390,100 | 2,942,325 | 2,544,627 |
| 9,418 | - | - | - | - | - |
| 4,540 | - | - | - | - | - |
| - | - | - | - | - | - |
| 2,144,464 | 1,097,898 | - | - | - | - |
| 3,564,689 | 998,000 | 3,003,526 | 3,272,713 | 2,165,418 | 1,838,158 |
| 16,926,127 | 18,544,163 | 20,564,254 | 21,831,935 | 22,716,130 | 28,009,757 |
| <u>\$ 30,382,689</u> | <u>\$ 30,490,405</u> | <u>\$ 35,224,283</u> | <u>\$ 37,269,758</u> | <u>\$ 36,786,363</u> | <u>\$ 41,612,618</u> |
| \$ 393,155 | \$ 196,302 | \$ 171,359 | \$ 270,116 | \$ 495,335 | \$ 495,148 |
| 25,313 | 122,898 | 78,942 | | | 64,036 |
| | | | | | 63,500 |
| 5,811,369 | 5,179,457 | 4,101,484 | 4,123,547 | 5,854,935 | 6,789,010 |
| 4,551,791 | 3,167,912 | 496,603 | 1,334,450 | 608,876 | 22,664,350 |
| <u>\$ 10,781,628</u> | <u>\$ 8,666,569</u> | <u>\$ 4,848,388</u> | <u>\$ 5,728,113</u> | <u>\$ 6,959,146</u> | <u>\$ 30,076,044</u> |

Randolph County, North Carolina
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | <u>1998</u> | <u>1999</u> | <u>2000</u> | <u>2001</u> |
|---------------------------------------------------------|---------------------|-------------------|----------------------|------------------------|
| Revenues | | | | |
| Taxes: | | | | |
| Property | \$ 28,594,970 | \$ 29,577,259 | \$ 33,253,074 | \$ 35,024,916 |
| Sales | 13,589,999 | 14,663,236 | 15,714,637 | 15,937,993 |
| Other | 256,844 | 723,337 | 868,763 | 867,016 |
| Total taxes | <u>42,441,813</u> | <u>44,963,832</u> | <u>49,836,474</u> | <u>51,829,925</u> |
| Intergovernmental: | | | | |
| Unrestricted | 2,853,115 | 2,827,879 | 2,861,517 | 3,529,266 |
| Restricted | 21,900,912 | 27,859,042 | 26,382,250 | 19,584,574 |
| Permits and Fees | 1,552,987 | 1,782,562 | 1,751,072 | 1,865,269 |
| Charges for Services | 9,548,740 | 9,587,565 | 9,891,683 | 10,785,511 |
| Investment earnings | 2,174,817 | 2,093,964 | 3,133,115 | 4,888,024 |
| Miscellaneous | 525,399 | 470,399 | 773,048 | 935,386 |
| Total Revenues | <u>80,997,783</u> | <u>89,585,243</u> | <u>94,629,159</u> | <u>93,417,955</u> |
| Expenditures | | | | |
| General Government | 5,777,616 | 6,056,375 | 5,972,063 | 6,278,193 |
| Public Safety | 12,626,881 | 13,461,325 | 14,957,694 | 16,679,057 |
| Economic Development | 1,303,467 | 1,651,276 | 1,035,893 | 978,764 |
| Environmental Protection | 3,640,658 | 4,955,703 | 4,349,467 | 4,204,426 |
| Human Services | 24,762,485 | 26,517,526 | 29,133,182 | 30,666,528 |
| Culture and Recreation | 1,141,640 | 1,111,894 | 1,286,249 | 1,243,834 |
| Education | 19,551,802 | 27,684,406 | 24,405,463 | 19,062,956 |
| Capital Outlay | 5,808,559 | 401,306 | 9,488,196 | 37,924,719 |
| Debt Service: | | | | |
| Principal | 3,898,107 | 4,052,659 | 4,312,721 | 4,301,286 |
| Interest | 3,576,613 | 2,874,426 | 2,643,790 | 5,743,695 |
| Total Expenditures | <u>82,087,828</u> | <u>88,766,896</u> | <u>97,584,718</u> | <u>127,083,458</u> |
| Excess of revenues over (under) expenditures | <u>(1,090,045)</u> | <u>818,347</u> | <u>(2,955,559)</u> | <u>(33,665,503)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 2,652,598 | 7,838,298 | 4,435,002 | 5,393,111 |
| Transfers out | (2,652,598) | (7,838,298) | (4,435,002) | (5,393,111) |
| Debt issued | 64,713 | 130,000 | 52,372,334 | |
| Premium on issued debt | | | | |
| Refunding debt issued | 23,658,009 | | | |
| Payment to refunding escrow agent | (23,421,802) | | | |
| Total other financing sources (uses) | <u>300,920</u> | <u>130,000</u> | <u>52,372,334</u> | <u>-</u> |
| Net change in fund balances | <u>\$ (789,125)</u> | <u>\$ 948,347</u> | <u>\$ 49,416,775</u> | <u>\$ (33,665,503)</u> |
| Debt service as a percentage of noncapital expenditures | 9.80% | 7.84% | 7.90% | 11.27% |

Schedule 4

| <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|------------------------|---------------------|-------------------|---------------------|--------------------|----------------------|
| \$ 43,675,898 | \$ 44,503,261 | \$ 46,632,517 | \$ 47,521,607 | \$ 50,417,045 | \$ 52,463,974 |
| 15,643,612 | 18,583,664 | 20,348,995 | 21,496,129 | 22,553,119 | 24,373,320 |
| 1,000,335 | 1,587,084 | 1,707,592 | 1,727,304 | 1,880,245 | 1,938,480 |
| <u>60,319,845</u> | <u>64,674,009</u> | <u>68,689,104</u> | <u>70,745,040</u> | <u>74,850,409</u> | <u>78,775,774</u> |
| 2,147,923 | 66,719 | 87,224 | 73,019 | 88,393 | 265,406 |
| 20,811,354 | 18,713,949 | 13,035,789 | 15,949,011 | 17,073,659 | 18,055,383 |
| 2,033,485 | 2,159,166 | 2,047,976 | 2,005,241 | 2,132,920 | 1,935,104 |
| 11,804,864 | 12,557,172 | 7,473,195 | 7,693,815 | 8,027,801 | 8,542,506 |
| 1,733,493 | 952,505 | 600,433 | 1,016,386 | 2,056,618 | 4,254,277 |
| 888,979 | 470,159 | 1,251,305 | 3,166,319 | 621,803 | 696,091 |
| <u>99,739,943</u> | <u>99,593,679</u> | <u>93,185,026</u> | <u>100,648,831</u> | <u>104,851,603</u> | <u>112,524,541</u> |
| 6,961,527 | 6,679,256 | 7,126,811 | 8,242,973 | 8,801,097 | 8,510,353 |
| 18,774,245 | 18,882,874 | 21,081,820 | 22,499,952 | 22,873,367 | 24,238,836 |
| 1,008,942 | 1,266,241 | 1,610,055 | 2,015,612 | 1,982,803 | 2,724,194 |
| 3,872,264 | 3,283,220 | 3,340,969 | 3,098,682 | 3,214,425 | 3,177,643 |
| 33,016,934 | 35,429,982 | 24,081,856 | 26,176,385 | 27,287,657 | 29,792,720 |
| 1,265,339 | 1,346,402 | 1,476,961 | 1,591,735 | 1,809,229 | 1,750,287 |
| 20,687,692 | 19,824,457 | 20,283,133 | 22,136,437 | 23,933,525 | 25,367,392 |
| 15,446,980 | 5,989,915 | 3,280,895 | 7,888,301 | 3,305,038 | 18,674,045 |
| 5,136,773 | 5,256,219 | 8,284,074 | 6,359,130 | 7,085,198 | 6,811,449 |
| 5,205,497 | 4,970,661 | 5,758,624 | 3,944,424 | 3,811,626 | 4,901,138 |
| <u>111,376,193</u> | <u>102,929,227</u> | <u>96,325,198</u> | <u>103,953,631</u> | <u>104,103,965</u> | <u>125,948,057</u> |
| (11,636,250) | (3,335,548) | (3,140,172) | (3,304,800) | 747,638 | (13,423,516) |
| 2,575,158 | 5,866,689 | 4,466,519 | 4,747,361 | 5,878,175 | 7,642,093 |
| (2,575,158) | (5,866,689) | (4,466,519) | (4,747,361) | (5,878,175) | (7,642,093) |
| 649,732 | 2,663,250 | | 6,230,000 | | 41,195,000 |
| | | 3,027,797 | | | 171,669 |
| | | 67,430,000 | | | |
| | | (66,666,360) | | | |
| <u>649,732</u> | <u>2,663,250</u> | <u>3,791,437</u> | <u>6,230,000</u> | <u>-</u> | <u>41,366,669</u> |
| <u>\$ (10,986,518)</u> | <u>\$ (672,298)</u> | <u>\$ 651,265</u> | <u>\$ 2,925,200</u> | <u>\$ 747,638</u> | <u>\$ 27,943,153</u> |
| 10.78% | 10.55% | 15.09% | 10.73% | 10.81% | 10.92% |

Randolph County, North Carolina
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

| Fiscal Year | Real Property | | | | Personal Property |
|-------------|----------------------|---------------------|---------------------|-----------------------|-------------------|
| | Residential Property | Commercial Property | Industrial Property | Present-use Value (1) | |
| 1998 | \$ 2,857,965,991 | \$ 301,323,338 | \$ 299,402,060 | \$ 80,084,465 | \$ 1,796,367,434 |
| 1999 | 2,944,808,660 | 346,050,830 | 295,667,180 | 80,125,925 | 1,819,572,351 |
| 2000 | 3,032,566,942 | 430,896,981 | 266,868,900 | 78,943,415 | 1,933,420,797 |
| 2001 | 3,119,525,712 | 488,425,660 | 269,031,410 | 77,136,335 | 2,040,579,794 |
| 2002 (5) | 4,733,037,648 | 692,464,350 | 335,615,710 | 169,315,590 | 2,005,627,125 |
| 2003 | 5,102,960,371 | 681,132,930 | 326,400,350 | 177,254,880 | 1,814,078,499 |
| 2004 | 5,183,315,136 | 729,065,310 | 309,240,780 | 189,276,680 | 1,788,317,724 |
| 2005 | 5,220,036,928 | 805,968,550 | 282,750,710 | 199,170,480 | 1,809,806,963 |
| 2006 | 5,375,045,807 | 839,788,720 | 279,823,060 | 130,991,780 | 1,878,516,653 |
| 2007 | 5,381,204,014 | 840,236,270 | 324,541,320 | 135,837,356 | 1,965,855,267 |

Source: Annual County Report of Valuation and Property Tax Levies

Notes:

(1) Present use value property is agricultural, horticultural and forestland for which the owner has applied for the property to be taxed at its present use. The difference in taxes on the present use basis and the taxes that would have been payable are a lien on the property and are deferred. The taxes become due if the property ceases to qualify for present use value. The preceding three fiscal years taxes are then required to be paid.

(2) Public service companies valuations are provided to the County by the North Carolina Department of Revenue. These amounts include both real and personal property.

(3) Per \$100 of value.

(4) The estimated market value for real property is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year. The actual ratio for the most recent year is not yet available; an estimated ratio has been provided by the Randolph County Tax Department. Personal property is valued annually.

(5) Property in Randolph County was reassessed every eight years. The last reassessment was on January 1, 2001 and was the basis for fiscal 2002 taxes. Effective January 1, 2007, the County will be reassessed every six years.

Schedule 5

| Public Service Companies (2) | Total Taxable Assessed Value | Total Direct Tax Rate (3) | Estimated Actual Taxable Value (4) |
|-----------------------------------------|---------------------------------------------|----------------------------------------------|-------------------------------------------------------|
| \$ 152,829,523 | \$ 5,487,972,811 | 0.4650 | \$ 6,060,706,024 |
| 164,884,731 | 5,651,109,677 | 0.4650 | 6,463,084,900 |
| 169,893,967 | 5,912,591,002 | 0.5125 | 6,933,743,673 |
| 145,944,147 | 6,140,643,058 | 0.5125 | 7,631,469,021 |
| 213,387,177 | 8,149,447,600 | 0.4800 | 8,288,437,389 |
| 221,213,919 | 8,323,040,949 | 0.4800 | 8,804,318,719 |
| 225,908,336 | 8,425,123,966 | 0.5000 | 9,049,118,967 |
| 221,789,833 | 8,539,523,464 | 0.5000 | 9,238,603,073 |
| 205,321,137 | 8,709,487,157 | 0.5250 | 9,788,081,240 |
| 215,341,325 | 8,863,015,552 | 0.5350 | 9,950,753,522 |

Randolph County, North Carolina
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per \$100 of assessed property value)

| | Year Taxes Are Payable | | | | |
|-----------------------------------|-------------------------------|-------------|-------------|-------------|-----------------|
| | 1998 | 1999 | 2000 | 2001 | 2002 (1) |
| Randolph County | \$ 0.4650 | \$ 0.4650 | \$ 0.5125 | \$ 0.5125 | \$ 0.4800 |
| Municipalities: | | | | | |
| City of Archdale | 0.2400 | 0.2400 | 0.2400 | 0.2400 | 0.2300 |
| City of Asheboro | 0.5200 | 0.5200 | 0.5200 | 0.5200 | 0.4500 |
| Town of Franklinville | 0.3800 | 0.3000 | 0.3000 | 0.4000 | 0.4000 |
| Town of Liberty | 0.5000 | 0.5000 | 0.5000 | 0.5000 | 0.4800 |
| Town of Ramseur | 0.5000 | 0.5000 | 0.5000 | 0.5000 | 0.4600 |
| City of Randleman | 0.3800 | 0.4600 | 0.4600 | 0.4600 | 0.4000 |
| Town of Seagrove | 0.4200 | 0.4200 | 0.4200 | 0.4200 | 0.4000 |
| Town of Staley | 0.1250 | 0.1250 | 0.1250 | 0.1250 | 0.1250 |
| City of Trinity | | 0.0500 | 0.0500 | 0.0500 | 0.0500 |
| School Districts: | | | | | |
| Asheboro School District | 0.1450 | 0.1450 | 0.1450 | 0.1450 | 0.1385 |
| Archdale/Trinity School District | 0.0850 | 0.0850 | 0.0850 | 0.0850 | 0.0750 |
| Fire Protection Districts: | | | | | |
| Fairgrove | 0.0400 | 0.0750 | 0.0750 | 0.0750 | 0.0650 |
| Guil-Rand | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| Climax | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.0930 |
| Julian | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.0950 |
| Westside | 0.0850 | 0.0850 | 0.0850 | 0.0850 | 0.0820 |
| Eastside | 0.0600 | 0.0600 | 0.0600 | 0.0600 | 0.0550 |
| Level Cross | 0.0900 | 0.0900 | 0.0900 | 0.0900 | 0.0900 |
| Ulah | 0.0650 | 0.0650 | 0.0650 | 0.0650 | 0.0610 |
| Seagrove | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.0970 |
| Staley | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.0960 |
| Randleman | 0.0900 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| Tabernacle | 0.0900 | 0.0900 | 0.0900 | 0.0900 | 0.0870 |
| Northeast | 0.0700 | 0.0700 | 0.0700 | 0.0700 | 0.0680 |
| Sophia | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.0960 |
| Coleridge-Erect | 0.1000 | 0.0800 | 0.0800 | 0.0800 | 0.0730 |
| Franklinville | 0.0800 | 0.0800 | 0.0800 | 0.0800 | 0.0770 |
| Bennett | 0.0800 | 0.0800 | 0.0800 | 0.0800 | 0.0700 |
| Farmer | 0.0700 | 0.0800 | 0.0800 | 0.0800 | 0.0750 |
| Southwest | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.0920 |

Note: (1) Real property was revalued on January 1, 2001

Schedule 6

| Year Taxes Are Payable | | | | |
|------------------------|-----------|-----------|-----------|-----------|
| 2003 | 2004 | 2005 | 2006 | 2007 |
| \$ 0.4800 | \$ 0.5000 | \$ 0.5000 | \$ 0.5250 | \$ 0.5350 |
| 0.2300 | 0.2300 | 0.2600 | 0.2600 | 0.2600 |
| 0.5000 | 0.5000 | 0.5500 | 0.5500 | 0.5500 |
| 0.4000 | 0.4000 | 0.4000 | 0.4000 | 0.4000 |
| 0.4800 | 0.4800 | 0.5125 | 0.5125 | 0.5125 |
| 0.4600 | 0.4600 | 0.4600 | 0.5000 | 0.5000 |
| 0.4800 | 0.4800 | 0.5100 | 0.5100 | 0.5800 |
| 0.4000 | 0.4000 | 0.4000 | 0.4000 | 0.4000 |
| 0.1250 | 0.1250 | 0.1250 | 0.1250 | 0.1250 |
| 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.1000 |
| 0.1385 | 0.1385 | 0.1385 | 0.1385 | 0.1385 |
| 0.0750 | 0.0750 | 0.0850 | 0.0850 | 0.0850 |
| 0.0650 | 0.0650 | 0.0650 | 0.0650 | 0.0650 |
| 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| 0.0930 | 0.0930 | 0.0930 | 0.0930 | 0.0930 |
| 0.0950 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| 0.0820 | 0.0850 | 0.0900 | 0.0900 | 0.0900 |
| 0.0550 | 0.0550 | 0.0700 | 0.0700 | 0.0700 |
| 0.0900 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| 0.0610 | 0.0610 | 0.0610 | 0.0610 | 0.0610 |
| 0.0970 | 0.0970 | 0.0970 | 0.0970 | 0.0970 |
| 0.0960 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| 0.0870 | 0.0870 | 0.0870 | 0.0870 | 0.0870 |
| 0.0680 | 0.0680 | 0.0680 | 0.0680 | 0.0680 |
| 0.0960 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| 0.0730 | 0.0730 | 0.0730 | 0.0730 | 0.0730 |
| 0.0700 | 0.0650 | 0.0650 | 0.0650 | 0.0650 |
| 0.0700 | 0.0700 | 0.0700 | 0.0700 | 0.0700 |
| 0.0750 | 0.0750 | 0.0750 | 0.0750 | 0.0750 |
| 0.0920 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |

**Randolph County, North Carolina
Principal Property Tax Payers,
Current Year and Nine Years Ago**

| <u>Taxpayer</u> | <u>Type of Business</u> | <u>Fiscal Year 2007</u> | | |
|--------------------------------|-------------------------------|-------------------------------|-------------|-----------------------------------------------------------|
| | | <u>Assessed Valuation</u> | <u>Rank</u> | <u>Percentage of Total Assessed Valuation</u> |
| Energizer | Battery Manufacturing | \$152,172,181 | 1 | 1.72% |
| Klaussner Furniture Industries | Furniture Manufacturing | 54,632,833 | 2 | 0.62% |
| Progress Energy / C P & L | Public Electric Company | 48,226,448 | 3 | 0.54% |
| Randolph Electric Membership | Membership Electric Company | 40,583,241 | 4 | 0.46% |
| Duke Energy Corp | Public Electric Company | 39,076,119 | 5 | 0.44% |
| Timken Company | Bearings Manufacturing | 36,260,341 | 6 | 0.41% |
| Technimark | Plastic Manufacturer | 35,595,903 | 7 | 0.40% |
| Sealy, Inc. | Mattress Manufacturing | 34,643,939 | 8 | 0.39% |
| Dart Container | Foam and Plastic Manufacturer | 32,451,845 | 9 | 0.37% |
| Ramtex | Woven Fabric | 30,542,850 | 10 | 0.34% |
| Toloram Polymers | Chemical Manufacturing | | | |
| Black & Decker | Small Appliance Manufacturing | | | |
| Goodyear Tire & Rubber | Steel Wire Manufacturing | | | |
| Central Telephone Company | Public Utility Company | | | |
| Totals | | <u>\$504,185,700</u> | | 5.69% |

Source: Randolph County Tax Department

| Fiscal Year 1998 | | |
|-------------------------------|-------------|-----------------------------------------------------------|
| Assessed Valuation | Rank | Percentage of Total Assessed Valuation |
| \$ 88,540,893 | 1 | 1.61% |
| 36,648,169 | 4 | 0.67% |
| 24,830,539 | 9 | 0.45% |
| 30,876,716 | 7 | 0.56% |
| 44,448,983 | 3 | 0.81% |
| 56,726,063 | 2 | 1.03% |
| 35,656,161 | 5 | 0.65% |
| 32,497,821 | 6 | 0.59% |
| 27,676,912 | 8 | 0.50% |
| 23,150,572 | 10 | 0.42% |
| <u>\$401,052,829</u> | | 7.29% |

**Randolph County, North Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years**

| Fiscal Year | Taxes Levied for the Fiscal Year (Original Levy) | | Total Adjusted Levy | Collected within the Fiscal Year of the Levy | |
|------------------------|---------------------------------------------------------------------|---------------|--------------------------------|---------------------------------------------------------|--------|
| | Adjustments | Amount | | Percentage of Original Levy | |
| 1998 | \$ 25,664,442 | | \$ 25,664,442 | \$ 24,946,814 | 97.20% |
| 1999 | 26,382,094 | | 26,382,094 | 25,686,686 | 97.36% |
| 2000 | 30,226,296 | | 30,226,296 | 29,319,447 | 97.00% |
| 2001 | 31,570,635 | | 31,570,635 | 30,693,955 | 97.22% |
| 2002 | 39,302,404 | | 39,302,404 | 38,397,923 | 97.70% |
| 2003 | 40,079,649 | | 40,079,649 | 39,222,703 | 97.86% |
| 2004 | 42,114,342 | | 42,114,342 | 41,240,854 | 97.93% |
| 2005 | 42,769,290 | | 42,769,290 | 41,942,834 | 98.07% |
| 2006 | 45,701,752 | | 45,701,752 | 44,764,339 | 97.95% |
| 2007 | 47,484,095 | | 47,484,095 | 46,634,878 | 98.21% |

Source: Randolph County Tax Department

Schedule 8

| | Collections in Subsequent Years | Total Collections to Date | |
|----|------------------------------------------------|----------------------------------|----------------------------------------|
| | | Amount | Percentage of Adjusted Levy |
| \$ | 700,412 | \$ 25,647,226 | 99.93% |
| | 672,645 | 26,359,331 | 99.91% |
| | 877,474 | 30,196,921 | 99.90% |
| | 836,683 | 31,530,638 | 99.87% |
| | 876,037 | 39,273,960 | 99.93% |
| | 781,935 | 40,004,638 | 99.81% |
| | 845,201 | 42,086,055 | 99.93% |
| | 779,810 | 42,722,644 | 99.89% |
| | 385,971 | 45,150,310 | 98.79% |
| | - | 46,634,878 | 98.21% |

Randolph County, North Carolina
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | | | | Total Primary Government | Percentage of Personal Income (1) | Per Capita (1) |
|--------------------|---------------------------------|--------------------------|----------------------|---------------------|---------------------------------|------------------------------------------|-----------------------|
| | General Obligation Bonds | Installment Loans | Capital Lease | Note Payable | | | |
| 1998 | \$27,040,000 | \$32,835,126 | \$ 126,000 | - | \$60,001,126 | 2.15% | 475 |
| 1999 | 24,735,000 | 31,280,467 | 63,000 | - | 56,078,467 | 1.88% | 436 |
| 2000 | 22,305,000 | 81,650,746 | - | 860,440 | 104,816,186 | 3.39% | 801 |
| 2001 | 19,895,000 | 79,765,264 | - | 860,440 | 100,520,704 | 3.23% | 759 |
| 2002 | 17,505,000 | 77,114,777 | 596,468 | 817,418 | 96,033,663 | 3.09% | 719 |
| 2003 | 15,135,000 | 77,043,611 | 487,687 | 774,396 | 93,440,694 | 2.94% | 693 |
| 2004 | 12,805,000 | 78,877,655 | 372,591 | 731,374 | 92,786,620 | 2.75% | 684 |
| 2005 | 10,515,000 | 81,204,841 | 249,297 | 688,352 | 92,657,490 | 2.64% | 676 |
| 2006 | 8,260,000 | 76,549,741 | 117,221 | 645,330 | 85,572,292 | 2.44% | 617 |
| 2007 | 6,050,000 | 113,303,534 | - | 602,308 | 119,955,842 | 3.41% | 856 |

(1) See Schedule 13 for personal income and population data.

Note: Percentages for 2006 and 2007 were calculated using the personal income amounts for 2005, the last year data is available.

Details regarding the county's outstanding debt can be found in the notes to the financial statements.

Randolph County, North Carolina
Ratios of Net General Bonded Debt Outstanding,
Last Ten Fiscal Years

| Fiscal Year | General Bonded Debt Outstanding | | Percentage of Actual Taxable Value of Property(2) | Per Capita(1) |
|------------------------|------------------------------------------------|-------------------------------------------------|----------------------------------------------------------------------|--------------------------|
| | General Obligation Bonds | Percentage of Personal Income(1) | | |
| 1998 | \$ 27,040,000 | 0.97% | 0.49% | 214 |
| 1999 | 24,735,000 | 0.83% | 0.44% | 192 |
| 2000 | 22,305,000 | 0.72% | 0.38% | 170 |
| 2001 | 19,895,000 | 0.64% | 0.32% | 150 |
| 2002 | 17,505,000 | 0.56% | 0.21% | 131 |
| 2003 | 15,135,000 | 0.48% | 0.18% | 112 |
| 2004 | 12,805,000 | 0.38% | 0.15% | 94 |
| 2005 | 10,515,000 | 0.30% | 0.12% | 77 |
| 2006 | 8,260,000 | 0.24% | 0.09% | 60 |
| 2007 | 6,050,000 | 0.17% | 0.07% | 43 |

Notes: Details regarding the County's outstanding debt can be found in the Notes to the Financial Statements.

(1) See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year. Calendar 2006 personal income not available to calculate fiscal year 2007. Calendar year 2005 personal income used for this calculation.

(2) See Schedule 5 for property value data.

**Randolph County, North Carolina
 Legal Debt Margin Information,
 Last Ten Fiscal Years**

| | 1998 | 1999 | 2000 | 2001 |
|-------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Assessed Value of Property | \$5,487,972,811 | \$5,651,109,677 | \$5,912,591,002 | \$6,140,643,058 |
| Debt Limit, 8% of Assessed Value (Statutory Limitation) | 439,037,825 | 452,088,774 | 473,007,280 | 491,251,445 |
| Amount of Debt Applicable to Limit Gross debt | 60,001,126 | 56,078,467 | 104,816,186 | 100,520,704 |
| Legal Debt Margin | \$ 379,036,699 | \$ 396,010,307 | \$ 368,191,094 | \$ 390,730,741 |
| Total net debt applicable to the limit as a percentage of debt limit | 13.67% | 12.40% | 22.16% | 20.46% |

Note: NC General Statute §159-55 limits the county's outstanding debt to 8% of the appraised value of property subject to taxation. The legal debt margin is the difference between the debt limit and the county's net debt outstanding applicable to the limit, and represents the county's legal borrowing authority.

| Fiscal Year | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| \$8,149,447,600 | \$8,323,040,949 | \$8,425,123,966 | \$8,539,523,464 | \$8,709,487,157 | \$8,863,015,552 |
| 651,955,808 | 665,843,276 | 674,009,917 | 683,161,877 | 696,758,973 | 709,041,244 |
| <u>96,033,663</u> | <u>93,440,694</u> | <u>92,786,620</u> | <u>92,657,490</u> | <u>85,572,292</u> | <u>119,955,842</u> |
| <u>\$ 555,922,145</u> | <u>\$ 572,402,582</u> | <u>\$ 581,223,297</u> | <u>\$ 590,504,387</u> | <u>\$ 611,186,681</u> | <u>\$ 589,085,402</u> |
| 14.73% | 14.03% | 13.77% | 13.56% | 12.28% | 16.92% |

Randolph County, North Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2007

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Direct and Overlapping Debt</u> |
|--------------------------------------|-----------------------------|------------------------------------------------|-----------------------------------------------------------------------|
| Municipalities: | | | |
| City of Archdale | \$ 424,269 | 97% | \$ 411,541 |
| City of Asheboro | 7,115,000 | 100% | <u>7,115,000</u> |
| Subtotal - Overlapping debt | | | 7,526,541 |
| Total direct debt of Randolph County | | | <u>119,955,842</u> |
| Total direct and overlapping debt | | | <u><u>\$ 127,482,383</u></u> |

Sources: Local Government Commission and municipalities

**Randolph County, North Carolina
Demographic and Economic Statistics
Last Ten Fiscal Years**

| Year | Population(1) | Personal Income (2) (thousands of dollars) | Per Capita Personal Income (2) | Public School Enrollment (3) | Unemployment Rate (4) |
|-------------|----------------------|---------------------------------------------------------------|---------------------------------------------------|---------------------------------------------|----------------------------------|
| 1998 | 126,252 | \$ 2,790,289 | \$ 22,141 | 19,762 | 2.80% |
| 1999 | 128,624 | 2,981,921 | 23,166 | 20,951 | 2.90% |
| 2000 | 130,919 | 3,092,647 | 23,598 | 21,515 | 3.10% |
| 2001 | 132,483 | 3,112,186 | 23,505 | 21,317 | 5.30% |
| 2002 | 133,488 | 3,103,450 | 23,221 | 21,905 | 6.40% |
| 2003 | 134,887 | 3,177,648 | 23,527 | 22,377 | 6.30% |
| 2004 | 135,708 | 3,368,862 | 24,741 | 22,779 | 5.40% |
| 2005 | 137,122 | 3,514,242 | 25,433 | 23,228 | 5.17% |
| 2006 | 138,586 | N/A | N/A | 23,241 | 4.61% |
| 2007 | 140,134 | N/A | N/A | 23,317 | 4.36% |

Sources:

(1) N.C. State Data Center.

(2) Bureau of Economic Analysis, U. S. Department of Commerce.

(3) N.C. Department of Public Instruction, First Month Average Daily Membership.

(4) N. C. Employment Security Commission.



**Randolph County, North Carolina
Principal Employers,
Current Year and Nine Years Ago**

| | | <u>2007</u> | | | <u>1998</u> | | |
|--------------------------------|-----------------|-------------------------------------------|-------------|-------------------|-------------------------------------------|-------------|-------------------|
| | | Percentage of Total County | | | Percentage of Total County | | |
| | | <u>Employees</u> | <u>Rank</u> | <u>Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Employment</u> |
| Randolph County Schools | Education | 2,531 | 1 | 3.42% | | | |
| Klaussner Furniture Industries | Manufacturing | 1,575 | 2 | 2.13% | 3,150 | 1 | 4.50% |
| Energizer | Manufacturing | 1,065 | 3 | 1.44% | 1,900 | 2 | 2.72% |
| Randolph Hospital | Health Services | 1,050 | 4 | 1.42% | 550 | 9 | 0.79% |
| Acme McCrary Corp | Manufacturing | 850 | 5 | 1.15% | 850 | 4 | 1.21% |
| Randolph County | Government | 755 | 6 | 1.02% | 575 | 7 | 0.82% |
| Wal-Mart | Retail Trade | 730 | 7 | 0.99% | | | |
| Asheboro City Schools | Education | 630 | 8 | 0.85% | 570 | 8 | 0.81% |
| Sealy, Inc. | Manufacturing | 536 | 9 | 0.72% | | | |
| Arrow International Inc | Manufacturing | 500 | 10 | 0.67% | 600 | 6 | 0.86% |
| Black & Decker/Windmere | Manufacturing | | | | 1,100 | 3 | 1.57% |
| Ramtex Inc | Manufacturing | | | | 800 | 5 | 1.14% |
| Prestige Fabricators | Manufacturing | | | | 509 | 10 | 0.73% |

Source:
Randolph County Economic Development Corporation

**Randolph County, North Carolina
County Government Employees by Function,
Last Ten Fiscal Years**

| Function/Program | Employee Positions as of June 30 | | | | | |
|-----------------------------------|-----------------------------------------|--------------|--------------|--------------|--------------|--------------|
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
| General government | 80.0 | 81.0 | 84.0 | 87.0 | 88.0 | 85.5 |
| Public safety | | | | | | |
| Sheriff and jail | 161.0 | 172.0 | 182.0 | 187.0 | 207.0 | 216.0 |
| Other public safety | 75.0 | 82.0 | 82.0 | 88.0 | 91.0 | 95.5 |
| Economic and physical development | 19.0 | 19.0 | 19.0 | 19.0 | 21.0 | 21.0 |
| Environmental protection | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 8.0 |
| Human Services: | | | | | | |
| Health | 85.0 | 85.0 | 85.0 | 92.0 | 92.0 | 90.0 |
| Social services | 108.0 | 115.0 | 115.0 | 131.0 | 131.0 | 130.0 |
| Other human services | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Cultural and recreation | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 |
| Total | 564.0 | 590.0 | 603.0 | 640.0 | 666.0 | 672.0 |

Source: County Finance Department

Note: This schedule represents number of positions authorized by the Board of Commissioners as of June 30 of each year.

Schedule 15

| <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|--------------|--------------|--------------|--------------|
| 86.5 | 86.5 | 86.5 | 88.5 |
| 220.0 | 224.0 | 227.0 | 227.0 |
| 99.0 | 104.5 | 103.5 | 101.5 |
| 22.0 | 23.0 | 23.0 | 21.0 |
| 5.0 | 5.0 | 5.0 | 5.0 |
| 88.0 | 88.0 | 88.0 | 89.0 |
| 132.0 | 137.0 | 137.0 | 146.0 |
| 1.0 | 1.0 | 1.0 | 2.0 |
| 27.0 | 27.0 | 31.0 | 33.0 |
| <u>680.5</u> | <u>696.0</u> | <u>702.0</u> | <u>713.0</u> |

**Randolph County, North Carolina
Operating Indicators By Function
Last Ten Fiscal Years**

| Function Department | Fiscal Year | | | | |
|------------------------------------------------------|--------------------|-------------|-------------|-------------|-------------|
| | 1998 | 1999 | 2000 | 2001 | 2002 |
| <u>General Government</u> | | | | | |
| Tax Department | | | | | |
| Number of tax parcels | 70,289 | 71,464 | 72,484 | 73,700 | 74,367 |
| Register of Deeds | | | | | |
| Number of documents filed | 26,970 | 30,898 | 30,359 | 32,034 | 32,190 |
| <u>Public Safety</u> | | | | | |
| Emergency Services | | | | | |
| Number of ambulance transports | N/A | 6,438 | 6,500 | 6,634 | 6,879 |
| Number of incoming 9-1-1 calls | N/A | 86,160 | 86,558 | 87,049 | 100,461 |
| Building Inspections | | | | | |
| Construction permits issued (1) | 1,332 | 1,275 | 1,281 | 1,639 | 1,666 |
| Number of building inspections | 17,997 | 19,735 | 19,939 | 20,431 | 21,913 |
| <u>Environmental Protection</u> | | | | | |
| Public Works | | | | | |
| Tons of solid waste received at transfer station (2) | 89,787 | 91,598 | 96,079 | 93,182 | 84,096 |
| Tons of tires recycled | 1,590 | 1,653 | 2,764 | 2,914 | 2,884 |
| Tons of white goods recycled | 722 | 859 | 726 | 987 | 1,420 |
| <u>Human Services</u> | | | | | |
| Public Health | | | | | |
| Number of vaccinations | 14,142 | 12,138 | 12,936 | 12,291 | 10,471 |
| Social Services | | | | | |
| Average number of Medicaid recipients | N/A | N/A | N/A | 9,350 | 9,900 |
| Average number of Food Stamp recipients | N/A | N/A | N/A | 1,565 | 1,792 |
| <u>Cultural and Recreational</u> | | | | | |
| Public Library | | | | | |
| Circulation | 166,095 | 186,085 | 196,828 | 212,201 | 211,975 |
| Patron registrations | 13,045 | 19,877 | 25,014 | 30,163 | 34,851 |

Source: Individual County Departments

Notes:

(1) Including permits issued by the City of Asheboro Inspection Department

(2) Transfer station began operations in December 1997. City of Asheboro opened a separate transfer station in February 2002.

Schedule 16

| Fiscal Year | | | | |
|--------------------|-------------|-------------|-------------|-------------|
| 2003 | 2004 | 2005 | 2006 | 2007 |
| 74,991 | 75,824 | 76,833 | 77,031 | 77,467 |
| 38,083 | 35,053 | 30,379 | 30,761 | 31,029 |
| 7,419 | 7,562 | 8,502 | 8,958 | 9,171 |
| 113,566 | 107,946 | 108,625 | 107,341 | 108,362 |
| 2,041 | 2,032 | 2,041 | 1,800 | 1,736 |
| 19,533 | 23,542 | 22,214 | 20,574 | 17,987 |
| 75,557 | 72,670 | 69,629 | 68,298 | 65,702 |
| 2,346 | 2,231 | 2,198 | 2,265 | 2,448 |
| 1,060 | 1,219 | 1,094 | 941 | 704 |
| 9,507 | 7,862 | 5,221 | 5,877 | 4,095 |
| 11,035 | 12,160 | 12,900 | 13,520 | 14,338 |
| 2,420 | 3,040 | 3,640 | 4,490 | 5,150 |
| 204,665 | 197,134 | 190,611 | 189,804 | 474,868 |
| 39,905 | 44,205 | 48,635 | 52,006 | 75,251 |

**Randolph County, North Carolina
Capital Asset Statistics By Function
Last Ten Fiscal Years**

| Function Department | Fiscal Year | | | | |
|--------------------------------|--------------------|-------------|-------------|-------------|-------------|
| | 1998 | 1999 | 2000 | 2001 | 2002 |
| <u>General Government</u> | | | | | |
| Public Buildings | | | | | |
| Total square footage | N/A | N/A | N/A | N/A | N/A |
| <u>Public Safety</u> | | | | | |
| Sheriff & Jail | | | | | |
| Jail capacity | 196 | 196 | 196 | 196 | 196 |
| Emergency Services | | | | | |
| Number of ambulance bases | 5 | 5 | 5 | 5 | 5 |
| Number of ambulances stationed | 7 | 7 | 7 | 7 | 7 |

Source: Individual County Departments

Schedule 17

| Fiscal Year | | | | |
|--------------------|-------------|-------------|-------------|-------------|
| 2003 | 2004 | 2005 | 2006 | 2007 |
| N/A | 267,771 | 384,648 | 420,848 | 430,671 |
| 196 | 196 | 196 | 196 | 196 |
| 5 7 | 5 7 | 5 7 | 5 7 | 5 7 |

