

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
For the Fiscal Year Ended  
June 30, 2019**



Prepared by the  
Granville County Finance Department

Finance Director  
Stephen M. McNally

County of Granville  
P. O. Box 1286  
Oxford, NC 27565

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## **INTRODUCTORY SECTION**



# **County Of Granville, North Carolina**

Post Office Box 1286, Oxford, North Carolina 27565

*County Administration*  
*(919) 693-5240*

**December 20, 2019**

**To the Board of County Commissioners and  
To the Citizens of Granville County, North Carolina**

Maintaining the fiscal strength and stability of county government is perhaps the most important responsibility of the Board of County Commissioners. The Comprehensive Annual Financial Report (CAFR) of Granville County, North Carolina, for the fiscal year ended June 30, 2019, reflects the achievement of that goal. Each year this document is prepared to provide you with details about how the County receives, spends and accounts for its money, as well as key indicators of its financial strength.

The CAFR consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a system of internal controls designed to protect County assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles (GAAP), and to provide reasonable assurance that the financial statements will be free from material misstatement. Management does not expect that the County's internal controls will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Winston, Williams, Creech, Evans & Company, LLP. The objective of the independent audit is to provide reasonable assurance that the financial statements of Granville County for the fiscal year ended June 30, 2019 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis

for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2019 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Granville County was a part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements involving the administration of federal awards. Information related to the Single Audit, including a schedule of expenditures of federal and state awards, and a schedule of questioned costs is included in the compliance section of this report.

As required by GAAP, the Management Discussion and Analysis (MD&A) is presented in narrative form to introduce the basic financial statements and to provide an overview and analysis of the financial operations for the fiscal year ended June 30, 2019. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A is located immediately following the report of the independent auditor.

### **Financial Reporting Entity**

The financial statements include all funds of Granville County, including all activities controlled by or dependent on the County. Control by, or dependence on the County was determined in accordance with the criteria established by the Governmental Accounting Standards Board (GASB) and included in the GASB's guidance in defining the governmental reporting entity.

The financial reporting entity includes all funds of Granville County, as well as its component units. Component units are legally separate entities for which Granville County is financially accountable.

Proprietary funds are used to account for a government's continuing business-type organizations and activities. The Granville County Board of Alcoholic Beverage Control, Granville Health System (Granville Medical Center), Granville County Tourism Development Authority and South Granville Memorial Gardens are component units of the County and are presented as proprietary funds. Most of the generally accepted accounting principles of proprietary funds are those applicable to similar private businesses.

### **Profile of Granville County**

Granville County is a county nestled between the Virginia State line and the Raleigh-Durham-Chapel Hill metropolitan area. The local economy has shifted from traditional industries such as tobacco production and textiles to a more diverse industrial and



service-based economy. This diversity has resulted in lower unemployment figures than some of the surrounding rural counties which have not transitioned as well. Granville County is proud to be home to globally competitive companies like Revlon, Bridgestone Commercial Solutions, N T Techno, Certainteed, Altec, Shalag, and many others. These companies provide unique and interesting employment opportunities and are important contributors to the County's tax base. As a result of the diversity of industries and the outstanding quality of life in our community, Granville County is poised to prosper

Granville County is also home to numerous State and Federal facilities located in Butner, at the southwestern corner of the County. These facilities provide stable job opportunities and serve to meet State and Federal governmental needs such as mental health, correctional, and medical facilities. Many of the State and Federal employees reside in the County.

Outdoor recreational opportunities abound in Granville County due to the availability of large, sparsely populated areas that provide sportsmen (and sportswomen) excellent hunting, fishing, hiking, and other outdoor opportunities.

Granville County operates under the Commissioner/Manager form of government. Policy-making and legislative authority are vested in a seven-person governing Board of Commissioners (the "Board") elected by district to staggered four-year terms.

The Board is responsible for governing the County by adopting local ordinances, adopting an annual budget, and establishing annual property tax rates. The Board also hires the County Manager and appoints members to various Boards and Commissions. The Board may also call bond referendums, enter into contracts, and establish new programs.

The County Manager is the chief administrative officer of the County and serves at the pleasure of the Board. The major responsibilities of the Manager include the day-to-day supervision of the activities of the County departments, attendance at Board meetings, making recommendations on matters of business, and preparing and recommending the annual budget.

The County provides a full range of services including public safety, social services, health services, emergency medical services, cultural and recreational activities, general administration, and others. In addition to these general government functions, the County also provides solid waste management services. The Board of Commissioners extends financial support to various agencies and groups who are involved in serving our citizens. Among them are the Granville County Board of Education, volunteer fire departments, Vance-Granville Community College, the Kerr-Tar Council of Governments, Granville-Vance District Health Department, and Cardinal Innovations Healthcare Solutions – Five County Community Operations Center.

The annual budget provides the foundation for the County's financial planning and control. The budget is a legally adopted ordinance that is developed with input from citizens, county departments, and various agencies in the County. The Manager uses

funding requests from all departments and agencies to develop a proposed budget that is presented to the Board for review.

### **Factors Affecting Economic Conditions**

The unemployment rate has mirrored that of the State and has steadily improved since the recession of the late 2000's. The County is experiencing an unemployment rate of 3.2%, lower than the state average of 4.0%, according to Oct. 2019 AccessNC data. Though national and state economic indicators suggest a continued recovery, the speed of the recovery will continue to impact the local economy.

The County is a member of the thirteen-county Research Triangle Regional Partnership (RTRP). The County works closely with the RTRP to market the County to business prospects. The marketing is done through articles in national and international trade magazines, newspapers, and special advertising campaigns. The RTRP members work at the trade shows in the United States and Europe. Both the North Carolina Department of Commerce and the RTRP bring prospective clients to the County. The County is marketed as being able to offer most of the amenities of the Research Triangle Park without the high costs, traffic congestion, and other drawbacks of the densely populated areas.

The Research Triangle Park (the Park) contains 6,900 acres of land which has been reserved for research and research-oriented manufacturing. The Park celebrated fifty years of progress in 2009 and it is now home to over 100 private and governmental companies. Over 37,000 people are employed in the Park, which has over 15 million developed square feet of space.

The County, in partnership with three of its neighboring counties, is continuing to market the "Triangle North" industrial and business park project. The Granville County site, "Triangle North - Granville", is a 510-acre park focused on life science industries. This project is poised for significant potential growth due to its location relative to the Research Triangle Park.

Vance-Granville Community College is one of the finest industrial training institutions in the State. The public education in the County is strong and has students performing well. The local schools continue to leverage technology opportunities in order to keep students engaged. Students are better prepared for future educational and employment opportunities than ever before.

### **Short- and Long-Term Financial Planning**

Many of the successes of the Board of County Commissioners can be attributed to the long-term planning efforts initiated by the Board. Examples include planning for both building capital and vehicle purchases. This has greatly reduced the dependency on short-term borrowing and has allowed positive fund balances to be carried into years where the needs exceed the annual appropriations. In fact, many mid-sized projects for Granville County have been funded on a pay-as-you-go basis because the funds were set-

aside. The use of management's vehicle replacement schedule has eliminated the need for short term leasing of rolling stock.

Other financial planning efforts include the programming of school debt service and the available revenue streams over a 15-20-year planning horizon and the five-year E-911 facilities plan. The school planning efforts have served to promote more effective discussions between the Board of Education and the Board of County Commissioners in developing projects to meet the school system's needs.

The Board has further enhanced the overall long-range planning process by approving a five year County-wide strategic plan developed by the County manager and staff. This plan is being implemented and will be reviewed annually.

### **Key Investments in Economic Development Projects**

The Board has made numerous strategic investments in new and expanding industrial plants in Granville County. The program relies on funds identified by the County for economic development projects that have a significant impact on the tax base while producing quality jobs. The program approved by the Board requires that funds be generated over a five-year period to replenish the funds utilized. The program has been touted by State economic development officials as innovative and highly effective in attracting new business to the community.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Granville County Government for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the twentieth consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

We appreciate the assistance and dedication of all employees in carrying out the services and programs approved by the Board of Commissioners. Preparation of this report would not have been possible without the dedicated efforts of the entire Finance Department staff and our independent auditors, Winston, Williams, Creech, Evans & Company, LLP. We also express our appreciation to the members of the Board of County Commissioners for their continued support, guidance, and advice in planning and conducting the financial activities of the County in a responsible and progressive manner. The County's excellent

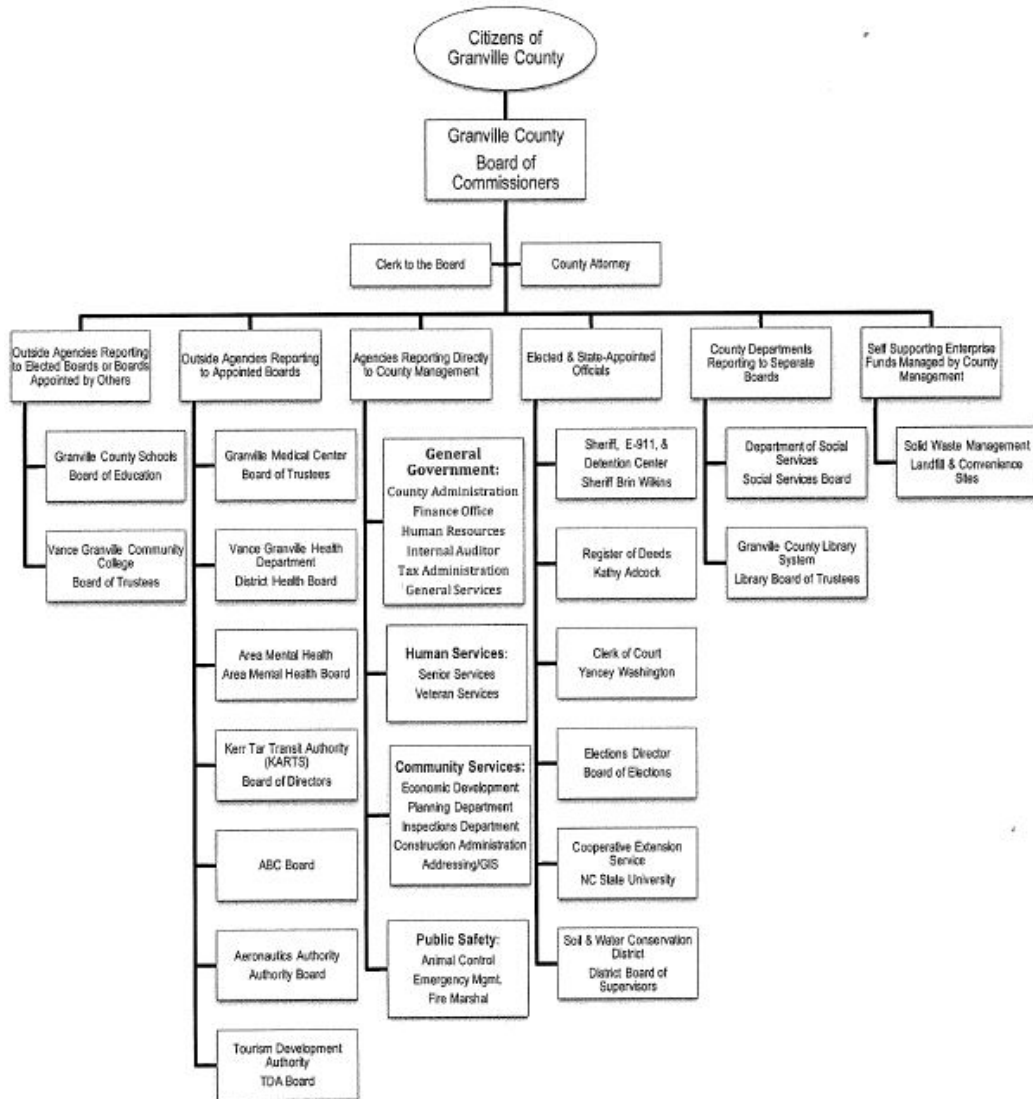
financial status is a tribute to their dedication and genuine concern about the quality of government in Granville County.

Respectfully submitted,

A handwritten signature in cursive script that reads "Steve McNally". The signature is written in dark ink on a light-colored background.

Steve McNally  
Finance Director

## Granville County Government Organizational Chart



**GRANVILLE COUNTY, NORTH CAROLINA  
LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2019**

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**Board of County  
Commissioners**

Zelodis Jay, Chairperson  
David T. Smith, Vice Chairperson  
Tony W. Cozart  
Sue Hinman  
Timothy Karan  
Owen T. Roberts, Jr.  
Edgar Smoak

Debra A. Weary, Clerk to the Board

**County Officials**

Michael S. Felts	County Manager
Steve McNally	Finance Director
Sharon Brooks-Powell	Tax Administrator
Kathy M. Taylor	Register of Deeds
Brindell B. Wilkins	Sheriff
M. Scott Phillips	Director of Development Services
Tonya C. Burnette	Elections Director
Jason A. Falls	Director of Environmental Programs
Adonica Hampton	Director of Social Services
Rodney Frazier	Veterans Services Director
Kathy B. May	Director of Senior Services
Will Robinson	Interim Director of Granville County Library System
Paul W. Westfall	Director, Cooperative Extension
Justin Asycue	Human Resources Director
Harry Mills	Economic Development Director
Raymond Allen	Parks/Grounds Director
Monique Heggie	Internal Auditor
Matt Katz	Animal Management Director
Trent Brummitt	911 Center Manager
Gary Bowen	Maintenance Director
Warren Daniel	SCS District Administrator
Doug Logan	Emergency Management Coordinator/Fire Marshal
Angela Allen	Director, Tourism Development Authority
Chris Brame	Network Administrator



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Granville County  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrell*

Executive Director/CEO

## **FINANCIAL SECTION**



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

Certified Public Accountants



America Counts on CPAs

Gary L. Williams, CPA  
Carleen P. Evans, CPA  
Jennifer T. Reese, CPA  
Tara H. Roberson, CPA

Curtis G. Van Horne, CPA

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## Independent Auditor's Report

To the Board of County Commissioners  
Granville County, North Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Granville County, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Granville County's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Granville Health System. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Granville Health System, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Granville Health System, Granville County ABC Board, Granville County Tourism Development Authority and South Granville Memorial Gardens were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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102 W. Spring Street • P.O. Box 1366 • Oxford, NC 27565 • (919) 693-5196 • fax (919) 693-7614

[www.wwcecpa.com](http://www.wwcecpa.com)



In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Granville County, North Carolina as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Local Government Employees' Retirement Systems' Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions, the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, the Healthcare Benefits Plan Schedule of Changes in the Total OPEB Liability and Related Ratios, on Exhibits A-1 thru A-7 respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Granville County, North Carolina. The introductory information, combining and individual fund financial statements, budgetary schedules, other schedules, statistical section as well as the accompanying Schedule of Expenditures of Federal and State awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit

Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory information and the statistical sections have not been subjected to the auditing procedures applied in the audit of basic financial statements, and accordingly, we do not express an opinion or provide assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019, on our consideration of Granville County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Granville County's internal control over financial reporting and compliance.

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

Winston, Williams, Creech, Evans & Company, LLP  
Certified Public Accountants  
Oxford, North Carolina  
December 20, 2019



## County Of Granville, North Carolina

Post Office Box 1286, Oxford, North Carolina 27565

### Management's Discussion and Analysis

As management of Granville County, we offer readers of Granville County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2019. We encourage you to incorporate information presented in this section with additional information that we have furnished in the County's financial statements, which follow this narrative.

#### Financial Highlights

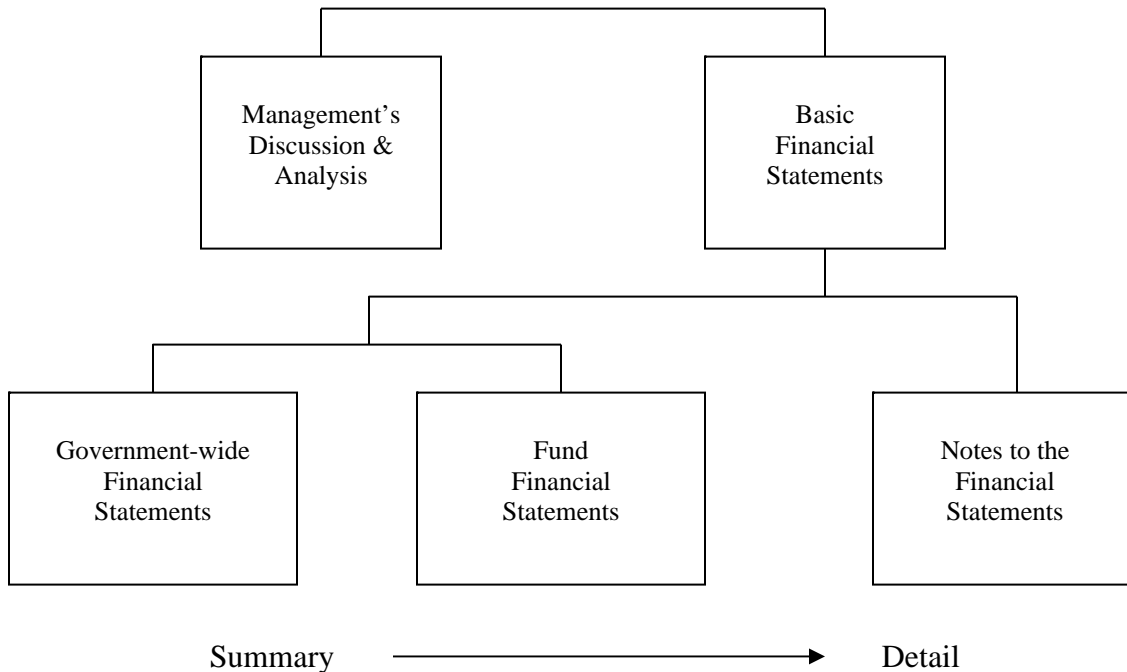
- The cash and cash equivalents (unrestricted) of the total primary government on the Statement of Net Position is \$37,793,304 which accounts for 25.9% of total primary government assets.
- The liabilities due in more than one year of \$132,636,008 account for 90.86% of total primary government liabilities.
- At the end of the current fiscal year, Granville County's governmental funds reported combined ending fund balances of \$75,515,562, after a net increase of \$15,296,593. Approximately fifty-seven percent (57.55%) of this total amount or \$43,456,365 is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$25,044,003, or forty percent (40.99%) of total general fund expenditures for the fiscal year.
- Granville County's debt service for fiscal year 2019 accounts for 13.09% of the total governmental funds' expenditures for the year.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Granville County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Granville County.

## Required Components of Annual Financial Report

Figure 1



### Basic Financial Statements

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

The next statements (Exhibits 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **Notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes of North Carolina can also be found in this part of the statements.

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

## Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of Granville County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net positions and how they have changed. Net position is the difference between the County's total assets & deferred outflows and total liabilities & deferred inflows. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as general administration, public safety, human services, community services, and education. Property taxes, sales taxes, and state and federal grant funds finance most of these activities. The business-type activity is that which the County charges customers to provide. This includes the solid waste services offered by Granville County. The final category is the component units. Granville County owns Granville Health System. The County appoints the board of trustees for the Medical Center and has issued debt on its behalf. Although legally separate from the County, the ABC Board is important to the County. The County is financially accountable for the Board by appointing its members and because the Board is required to distribute its profits to the County. The Granville County Tourism Development Authority and South Granville Memorial Gardens are also component units of Granville County.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

**Fund Financial Statements:** The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Granville County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes of North Carolina or the County's budget ordinance. All of the funds of Granville County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resource focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Granville County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services

to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

**Proprietary funds** - Granville County has two kinds of proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Granville County uses an enterprise fund to account for its solid waste operations. This fund is the same as the separate activity shown in the business-type activities in the Statement of Net Position and the Statement of Activities. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the functions of the County. The County uses an internal service fund to account for one activity – its County Health Plan. Because this operation benefits predominantly governmental rather than business-type activities, the internal service fund has been included within the governmental activities in the government-wide financial statements.

**Fiduciary funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Granville County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Currently Granville County operates four fiduciary funds.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 41 of this report.

**Other information** - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Granville County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 87 of this report.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The assets and deferred outflows of Granville County exceeded liabilities and deferred inflows by \$1,420,114 as of June 30, 2019. The County's net position decreased by \$98,098 for that same time period. \$43,452,365 represents resources that are subject to external restrictions how they may be used. These include such items as financing proceeds for school or medical facilities or unexpended grant funds held for current projects. \$17,017,181 reflects the County's net investment in capital assets. Capital assets are used by the County to provide services to citizens; consequently, these assets are not available for future spending or debt service. Resources needed to repay the debt associated with Capital assets must be provided by other sources. The remaining balance \$(59,049,432) is unrestricted. Because the County carries

the debt associated with school facilities, yet does not include those facilities on its books, a negative unrestricted balance is not uncommon while the school related debt is outstanding.

**Granville County's Net Position**  
**Figure 2**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 81,803,012	\$ 64,046,981	\$ 2,687,851	\$ 3,370,975	\$ 84,490,863	\$ 67,417,956
Capital assets	56,526,803	46,906,495	5,090,595	5,144,388	61,617,398	52,050,883
Total assets	138,329,815	110,953,476	7,778,446	8,515,363	146,108,261	119,468,839
Deferred outflows	4,919,024	3,861,604	71,315	47,998	4,990,339	3,909,602
Long-term liabilities outstanding	130,488,732	108,724,460	9,935,584	8,871,054	140,424,316	117,595,514
Other liabilities	5,355,116	2,001,327	191,985	204,331	5,547,101	2,205,658
Total liabilities	135,843,848	110,725,787	10,127,569	9,075,385	145,971,417	119,801,172
Deferred inflows	3,636,418	2,027,361	70,651	31,696	3,707,069	2,059,057
Net position:						
Net investment in capital assets	11,926,586	31,024,432	5,090,595	5,144,388	17,017,181	36,168,820
Restricted	43,452,365	24,688,335	-	-	43,452,365	24,688,335
Unrestricted	(51,610,378)	(53,650,835)	(7,409,803)	(5,688,108)	(59,020,181)	(59,338,943)
Total net position	\$ 3,768,573	\$ 2,061,932	\$ (2,319,208)	\$ (543,720)	\$ 1,449,365	\$ 1,518,212

Several particular aspects of the County's financial operations influence the total unrestricted governmental net position:

- Sales tax and other intergovernmental taxes increased \$867,084 from the previous year, indicative of an improving State economy.
- The FY 2018 revaluation of the County tax base and increase in the revenue neutral rate to \$0.84 resulted in an increase of property tax of \$697,526.
- A \$1 million revision of the closure/ post-closure estimates for the Oxford landfill as well as \$800,000 in actual closure costs for the C&D landfill resulted in \$1,887,287 in expenditures in the Solid Waste fund.

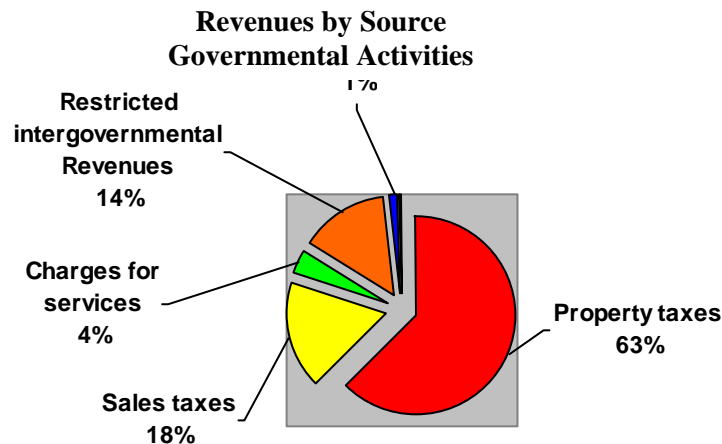
**Governmental activities.** Governmental activities increased the County's net position by \$1,706,641. The table and bulleted information provide more information related to governmental activities for the past two years.



**Granville County's Changes in Net Position**  
**Figure 3**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for services	\$ 2,161,032	\$ 1,731,990	\$ 3,505,111	\$ 3,587,751	\$ 5,666,143	\$ 5,319,741
Operating grants and contributions	9,533,617	8,228,801	33,263	25,500	9,566,880	8,254,301
Capital grants and contributions	163,733	770	-	500	163,733	1,270
General revenues:						
Property taxes	41,016,801	40,319,275	-	-	41,016,801	40,319,275
Other taxes	11,642,407	10,775,323	-	-	11,642,407	10,775,323
Other	2,188,886	4,570,773	101,185	109,712	2,290,071	4,680,485
Total revenues	66,706,476	65,626,932	3,639,559	3,723,463	70,346,035	69,350,395
Expenses:						
General government	6,295,269	5,632,304	-	-	6,295,269	5,632,304
Public safety	13,046,766	11,393,977	-	-	13,046,766	11,393,977
Transportation	197,224	198,866	-	-	197,224	198,866
Economic and physical development	1,363,072	951,127	-	-	1,363,072	951,127
Human services	14,130,315	10,588,830	-	-	14,130,315	10,588,830
Community services	4,512,131	4,530,173	-	-	4,512,131	4,530,173
Education	21,980,521	17,570,103	-	-	21,980,521	17,570,103
Interest on long-term debt	3,474,537	2,213,085	-	-	3,474,537	2,213,085
Landfill	-	-	4,765,067	3,032,006	4,765,067	3,032,006
Other	-	-	649,980	328,837	649,980	328,837
Total expenses	64,999,835	53,078,465	5,415,047	3,360,843	70,414,882	56,439,308
Increase (decrease) in net position before transfers and special items	1,706,641	12,548,467	(1,775,488)	362,620	(68,847)	12,911,087
Transfers	-	(1,000,000)		1,000,000	-	-
Increase (decrease) in net position	1,706,641	11,548,467	(1,775,488)	1,362,620	(68,847)	12,911,087
Net position, beginning	2,061,932	2,092,365	(543,720)	(1,718,839)	1,518,212	373,526
Restatement	-	(11,578,900)	-	(187,501)	-	(11,766,401)
Net position, ending	\$ 3,768,573	\$ 2,061,932	\$ (2,319,208)	\$ (543,720)	\$ 1,449,365	\$ 1,518,212

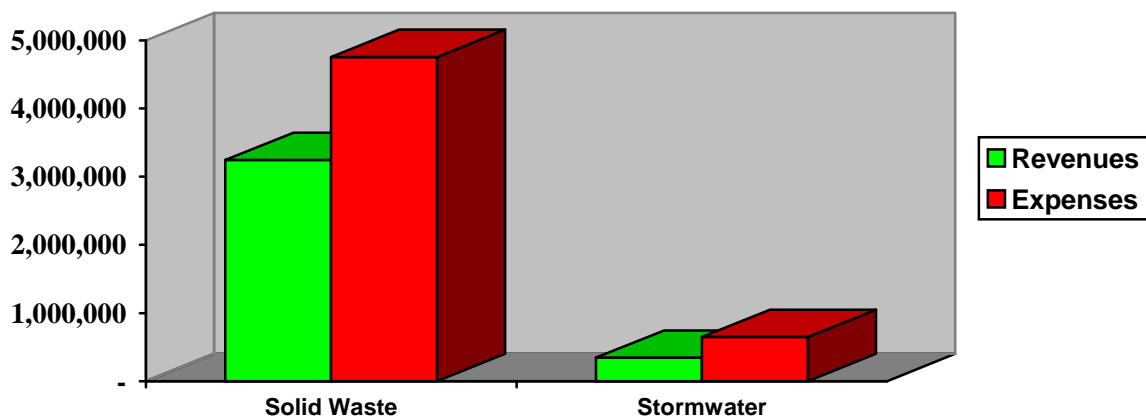
- Sales tax and other intergovernmental taxes increased \$867,084 from the previous year, indicative of an improving State economy.
- The FY 2018 revaluation of tax base and increase in the revenue neutral rate to \$0.84 resulted in an increase of property tax of \$697,526.



**Business-type activities.** Business-type activities decreased the County's net position by \$1,775,488, which represents approximately thirty-two percent (32.79%) of the total business-type expenses.

- A \$1 million revision of the closure/ post-closure estimates for the Oxford landfill as well as \$800,000 in actual closure costs for the C&D landfill resulted in \$1,887,287 in expenditures in the Solid Waste Fund.
- Landfill operation costs increased \$158,000 over last year
- The Stormwater Fund donated \$250,000 to the Tar River Land Conservancy for purchase of property at Smith Creek.

**Fiscal Year 2018-2019  
Expenses and Program Revenues  
Business-type Activities**



## Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Granville County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$25,044,003 while total fund balance reached \$42,555,547. The remainder of fund balance, \$17,511,544 is either non-spendable, restricted, committed, or assigned and is not available for general appropriation. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 40.9 percent of total General Fund expenditures, while total fund balance represents 69.7 percent of that same amount.

At June 30, 2019, the governmental funds of Granville County reported a combined fund balance of \$75,515,562, a 25.4 percent increase from last year. This increase is due primarily to the financing activity associated with the Law Enforcement Center construction project.

Granville County funded repairs of HVAC and roofing for each of Granville County School System's 17 campuses. The repair project, in its second year, required a transfer of \$7 million from the County's General Fund, which, when netted with project expenditures, increased the project fund balance \$2,642,645 to \$9,331,518.

In 2018, the County established the Law Enforcement Center (L.E.C.) Construction Fund. Initial funding for the project came from the County's General Fund. In 2019, the County issued limited obligation bonds for the project in the amount of \$28,371,409. Bond proceeds, netted with construction expenditures, increased the project's fund balance by \$17,602,959 to \$22,642,577.

Also resulting from the limited obligation bond financing was \$9,157,730 which was used to retire existing school debt and refinance at a more favorable rate.

**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 expenditures by \$49,172,121. The increase was due largely to amending the budget for recognizing receipt of L.E.C./refinancing bond proceeds (\$38,529,139) and transferring loan proceeds received in FY 2018 from the General Fund to the Hospital Capital Projects Fund for the building of Doctors' offices (\$5,800,000). Additional amendments were also necessary to cover unexpected circumstances that arose during the fiscal year to fund additional projects.

Economic conditions and State legislative changes effecting sales tax distributions in prior fiscal years continue to provide challenges to calculating accurate estimates for sales tax proceeds. The County again took a conservative approach when estimating all fiscal year revenues.

As a result, revenue variances were positive. The most favorable category was Sales Tax and Other Tax revenues, which exceeded budget \$896,915 or 7.8%. Fee revenue was also greater than anticipated, due to increased inspection fee revenue, and interest income was larger than expected. In total, General Fund revenues exceeded budget by \$1,585,365 or 2.5%.

**Proprietary Funds:** Granville County's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Solid Waste Fund equaled \$(7,610,929). The total net position for all proprietary funds is \$(2,321,247). The total change in net position for the proprietary funds was a decrease of \$1,768,092. This change in net position is primarily due to recognizing \$0.8 million in closing costs of the C & D landfill and \$1.080 million in estimated future closing and post-closing costs associated with existing landfills within the County.

In June 2012, Granville County established the County Health Plan Fund, an *Internal Service Fund*, to account for premium and claims associated with the County self-funded health insurance plan. Fiscal year 2018-2019 activity resulted in a decrease in net position of \$739,642.

### **Capital Asset and Debt Administration**

**Capital Assets:** Granville County's capital assets for its governmental and business-type activities as of June 30, 2019 totals \$61,617,398 (net of accumulated depreciation). These assets include land, buildings, machinery and equipment, park facilities, system improvements, and vehicles.

Major capital asset transactions during the year include:

- Purchases of vehicles throughout various departments.
- \$10,822,093 in construction in progress for the Law Enforcement Center/Animal Control Center.

### **Granville County's Capital Assets (net of depreciation)**

**Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 8,276,811	\$ 8,182,441	\$ 1,020,695	\$ 1,020,695	\$ 9,297,506	\$ 9,203,136
Buildings	13,554,691	14,262,787	93,846	17,642	13,648,537	14,280,429
Improvements	13,946,477	14,366,587	3,910,974	4,034,389	17,857,451	18,400,976
Machinery and Equipment	1,247,337	1,313,006	-	-	1,247,337	1,313,006
Intangible Assets	6,183,000	6,354,750	-	-	6,183,000	6,354,750
Fixtures and Equipment	-	-	65,080	71,662	65,080	71,662
Construction in Progress	13,318,487	2,426,924	-	-	13,318,487	2,426,924
Total	\$ 56,526,803	\$ 46,906,495	\$ 5,090,595	\$ 5,144,388	\$ 61,617,398	\$ 52,050,883

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

**Long-term debt.** At the end of fiscal year 2019, Granville County had total bonded debt outstanding of \$54,972,000, all of which is debt backed by the full faith and credit of the County.

**Granville County's Outstanding Debt  
General Obligation Bonds  
Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 54,972,000	\$ 23,426,000	\$ -	\$ -	\$ 54,972,000	\$ 23,426,000

Granville County's total general obligation debt increased by \$31,546,000 (134.66 percent) during fiscal year 2018-2019 as a result of new debt associated with the law enforcement center. The County also had additional limited obligation bond debt added during the fiscal year of \$34,665,000.

Moody's Investors Service, Inc., Standard and Poor's Credit Markets Services and the North Carolina Municipal Council assigned independent underlying ratings to Granville County of Aa2, AA-, and 84 respectively associated with general obligation debts issued in 2010 which upheld ratings issued previously. As a result of the County's FY 2018-2019 limited obligation bond financing, Standard and Poor upgraded the County's general obligation rating to AA.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to eight percent (8%) of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Granville County is \$280,820,610, which is significantly more than Granville County's outstanding general obligation debt.

Additional information on Granville County's long-term debt can be found in the notes to the financial statements beginning on page 76 of this report.

**Economic Factors and Next Year's Budgets and Rates**

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

- According to the October 2019 AccessNC report, the County is experiencing an unemployment rate of 3.2%, lower than the state average of 4.0%.
- Per Capita annual income in Granville County is approximately \$38,652.
- A \$175,000 grant will support the reuse of an 86,000-square-foot building owned by Winston International, Ltd., a custom cable assembly distributor. The expansion is expected to create 22 jobs while investing \$718,000 in the project.
- A \$100,000 grant will support the renovation of a 10,800-square-foot building in Oxford that is occupied by Home Care Products, LLC, a manufacturer and distributor of micro-filtration vacuum bags. The company plans to relocate their entire Ohio operation to Oxford through this project, while adding an expected 10 jobs and investing \$1,175,000.

- Ontic will receive a \$500,000 Building Reuse Grant for a plant expansion that will help create 123 jobs.
- Altec will receive a \$500,000 Building Reuse Grant for a plant expansion that will help create 72 jobs.
- Shalag plans to invest \$16 million over the next two years, creating 40 additional jobs.

### **Budget Highlights for the Fiscal Year Ending June 30, 2020**

#### **Governmental Activities:**

The tax base is projected to provide revenues of \$41,102,256 when calculated with the current collection percentage rate. The total projected assessed valuation for the County is \$4,946,048,430.

Budgeted expenditures for fiscal year 2019-2020 in the General Fund reflect an increase from the previous fiscal year original budget of 6.6%. This is due to increased labor and benefit costs, increased health and medical services, increased staffing costs, facility improvements (Administrative annex and Hunt Street), increased school system expenditures, and increased debt service for the Law Enforcement Center/ Animal Control construction project.

The fiscal year 2019-2020 budget appropriates \$2,313,755 of available fund balance to balance the general fund budget. Total revenues, excluding appropriated fund balance, reflect an increase of approximately 3.7% from the previous year original budget. Budgeted revenue increases include property tax (up \$0.2 million), sales tax (up \$0.6 million), increased fee revenue (Up \$0.7 million) and increases in Medicare and transportation grants.

**Business-type Activities:** The Storm Water Fund budget for FY 2020 reflects an 16% increase from previous year's actual expenditures due primarily to increases in professional services.

The Solid Waste Fund budget increased \$237,000, roughly 8%. This was due to a budgeted installation of a new scale and scale house at the Oxford landfill, as well as increased professional services and waste disposal fees.

### **Requests for Information**

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

*Stephen M. McNally*

Stephen M. McNally  
Finance Director

# **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**



**GRANVILLE COUNTY, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	Primary Government			Component Units			
	Governmental Activities	Business-type Activities	Total	Granville Health System	Granville County ABC Board	Granville County Tourism Development Authority	South Granville Memorial Gardens
<b>ASSETS</b>							
Cash and cash equivalents	\$ 35,037,843	\$ 2,755,461	\$ 37,793,304	\$ 1,760,576	\$ 775,266	\$ 392,478	\$ 137,187
Taxes receivable	1,085,681	-	1,085,681	-	-	-	-
Accrued interest receivable	155,562	-	155,562	-	-	-	-
Accounts receivable	4,070,403	443,450	4,513,853	10,978,295	-	-	24,465
Due from primary government	-	-	-	-	-	21,049	-
Due from related party	-	-	-	5,257,795	-	-	-
Inventories	-	-	-	2,061,394	452,077	-	1,461
Prepaid items	43,200	-	43,200	256,315	6,575	-	-
Internal balances	481,809	(481,809)	-	-	-	-	-
Restricted assets:							
Cash and cash equivalents	40,850,363	-	40,850,363	-	-	-	100,000
Assets whose use is limited	-	-	-	4,407,315	-	-	-
Goodwill	-	-	-	-	-	-	-
Net pension asset	78,151	-	78,151	-	-	-	-
Capital assets							
Land, improvements, and construction in progress	21,595,298	1,020,695	22,615,993	3,296,356	338,774	-	39,534
Other capital assets, net of depreciation	34,931,505	4,069,900	39,001,405	26,076,122	990,433	-	38,552
Total capital assets	56,526,803	5,090,595	61,617,398	29,372,478	1,329,207	-	78,086
Total Assets	138,329,815	7,807,697	146,137,512	54,094,168	2,563,125	413,527	341,199
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
	4,919,024	71,315	4,990,339	4,609,912	95,784	-	-
<b>LIABILITIES</b>							
Accounts payable & accrued liabilities	4,463,668	191,985	4,655,653	6,418,729	301,079	1,515	2,300
Accrued interest payable	870,399	-	870,399	-	-	-	-
Estimated third party payor settlements	-	-	-	1,258,810	-	-	-
Due to fiduciary funds	21,049	-	21,049	-	-	-	-
Long-term liabilities:							
Due within one year							
Bonds payable	4,361,233	-	4,361,233	-	-	-	-
Notes and COPS payable	2,368,569	-	2,368,569	917,919	140,388	-	-
Financing agreement payable	795,290	-	795,290	-	-	-	-
Compensated absences payable	256,884	6,332	263,216	1,992,460	-	-	-
Capital leases payable	-	-	-	169,464	-	-	-
Due in more than one year							
Bonds payable	55,622,708	-	55,622,708	-	-	-	-
Notes and COPS payable	42,863,431	-	42,863,431	19,543,512	-	-	-
Capital leases payable	-	-	-	29,985	-	-	-
Financing agreement payable	1,620,528	-	1,620,528	-	-	-	-
Accrued landfill closure and postclosure costs	-	9,502,439	9,502,439	-	-	-	-
Compensated absences payable	770,653	18,995	789,648	-	-	-	-
Other postemployment benefits obligation	16,056,023	329,346	16,385,369	-	446,683	-	-
Net pension obligation-LGERS	4,124,844	78,472	4,203,316	7,516,291	78,525	-	-
Net pension obligation-LEOSSA	1,648,569	-	1,648,569	-	-	-	-
Total long-term liabilities	130,488,732	9,935,584	140,424,316	30,169,631	665,596	-	-
Total Liabilities	135,843,848	10,127,569	145,971,417	37,847,170	966,675	1,515	2,300
<b>DEFERRED INFLOWS OF RESOURCES</b>							
	3,636,418	70,651	3,707,069	348,092	37,414	-	600
<b>NET POSITION</b>							
Net investment in capital assets	11,926,586	5,090,595	17,017,181	8,711,598	1,329,207	-	78,086
Restricted for:							
Stabilization by State Statute	4,783,538	-	4,783,538	-	-	21,049	24,465
Register of Deeds	53,193	-	53,193	-	-	-	-
Public Safety	23,042,692	-	23,042,692	-	-	-	-
Education	12,144,136	-	12,144,136	-	-	-	-
Community Services	733,235	-	733,235	-	-	-	-
Human Services	2,695,571	-	2,695,571	47,757	-	-	-
Working Capital	-	-	-	-	139,878	-	-
Cemetery Perpetual Care and Maintenance	-	-	-	-	-	-	100,000
Tourism Related Capital Development	-	-	-	-	-	227,950	-
Unrestricted (deficit)	(51,610,378)	(7,409,803)	(59,020,181)	11,749,463	185,735	163,013	135,748
Total Net Position	\$ 3,768,573	\$ (2,319,208)	\$ 1,449,365	\$ 20,508,818	\$ 1,654,820	\$ 412,012	\$ 338,299

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

**GRANVILLE COUNTY, NORTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position						
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units			
					Governmental Activities	Business-Type Activities	Total	Granville Health System	Granville County ABC Board	Granville County Tourism Development Authority	South Granville Memorial Gardens
Primary Government:											
Governmental Activities:											
General government	\$ 6,295,269	\$ 480,581	\$ -	\$ 6,403	\$ (5,808,285)	\$ -	\$ (5,808,285)				
Public safety	13,046,766	1,301,830	798,006	-	(10,946,930)	-	(10,946,930)				
Transportation	197,224	-	327,578	-	130,354	-	130,354				
Economic and physical development	1,363,072	-	884,283	157,330	(321,459)	-	(321,459)				
Human services	14,130,315	20,738	6,846,715	-	(7,262,862)	-	(7,262,862)				
Community services	4,512,131	357,883	137,790	-	(4,016,458)	-	(4,016,458)				
Education	21,980,521	-	539,245	-	(21,441,276)	-	(21,441,276)				
Interest on long-term debt	3,474,537	-	-	-	(3,474,537)	-	(3,474,537)				
Total governmental activities	64,999,835	2,161,032	9,533,617	163,733	(53,141,453)	-	(53,141,453)				
Business-type activities:											
Solid Waste	4,765,067	3,243,632	-	-	-	(1,521,435)	(1,521,435)				
Stormwater	649,980	261,479	33,263	-	-	(355,238)	(355,238)				
Total business-type activities	5,415,047	3,505,111	33,263	-	-	(1,876,673)	(1,876,673)				
Total primary government	\$ 70,414,882	\$ 5,666,143	\$ 9,566,880	\$ 163,733	\$ (53,141,453)	\$ (1,876,673)	\$ (55,018,126)				
Component units:											
Granville Health System	\$ 64,995,030	\$ 59,180,997	\$ 30,000	\$ 132,874	\$ -	\$ -	\$ -	\$ (5,651,159)	\$ -	\$ -	\$ -
Granville County ABC Board	4,430,173	4,708,341	-	-	-	-	-	-	278,168	-	-
Granville County Tourism Development Authority	287,488	-	-	-	-	-	-	-	-	(287,488)	-
South Granville Memorial Gardens	50,551	57,229	-	-	-	-	-	-	-	-	6,678
Total component units	\$ 69,763,242	\$ 63,946,567	\$ 30,000	\$ 132,874	\$ -	\$ -	\$ -	\$ (5,651,159)	\$ 278,168	\$ (287,488)	\$ 6,678
General revenues:											
Taxes:											
Property taxes, levied for general purpose					\$ 41,016,801	\$ -	\$ 41,016,801	\$ -	\$ -	\$ -	\$ -
Local option sales tax					8,625,333	-	8,625,333	-	-	-	-
Other taxes											
Medicaid hold harmless					2,146,527	-	2,146,527	-	-	-	-
Various other taxes					870,547	-	870,547	-	-	252,370	-
Investment earnings, unrestricted					1,420,517	21,387	1,441,904	38,880	2,486	3,880	2,413
Miscellaneous, unrestricted					768,369	79,798	848,167	3,389,128	-	3,839	-
Transfers					-	-	-	-	-	-	-
Total general revenues, special items and transfers					54,848,094	101,185	54,949,279	3,428,008	2,486	260,089	2,413
Change in net position					1,706,641	(1,775,488)	(68,847)	(2,223,151)	280,654	(27,399)	9,091
Net position, beginning					2,061,932	(543,720)	1,518,212	22,731,969	1,374,166	439,411	329,208
Net position, ending					\$ 3,768,573	\$ (2,319,208)	\$ 1,449,365	\$ 20,508,818	\$ 1,654,820	\$ 412,012	\$ 338,299

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

**FUND  
FINANCIAL STATEMENTS**

**GRANVILLE COUNTY, NORTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	General Fund	Major School Repair Project Fund	Law Enforcement Center Fund	Nonmajor Other Governmental Funds	Total Governmental Funds
<b><u>ASSETS</u></b>					
Cash and cash equivalents	\$ 33,199,467	\$ -	\$ -	\$ 1,184,777	\$ 34,384,244
Restricted cash	6,411,031	9,918,373	24,520,959	-	40,850,363
Taxes receivable	1,085,681	-	-	-	1,085,681
Accounts receivable	3,999,623	39,932	-	30,848	4,070,403
Prepaid items	4,000	-	-	-	4,000
Due from other funds	713,135	-	-	-	713,135
Total Assets	<u>\$ 45,412,937</u>	<u>\$ 9,958,305</u>	<u>\$ 24,520,959</u>	<u>\$ 1,215,625</u>	<u>\$ 81,107,826</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
Liabilities:					
Accounts payable & accrued liabilities	\$ 1,676,768	\$ 626,787	\$ 1,878,382	\$ 418	\$ 4,182,355
Due to other funds	21,049	-	-	229,287	250,336
Total Liabilities	<u>1,697,817</u>	<u>626,787</u>	<u>1,878,382</u>	<u>229,705</u>	<u>4,432,691</u>
Deferred Inflows of Resources:	<u>1,159,573</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,159,573</u>
Fund balances:					
Nonspendable:					
Prepaid items	4,000	-	-	-	4,000
Restricted:					
Stabilization by State Statute	4,712,758	39,932	-	30,848	4,783,538
Register of Deeds	53,193	-	-	-	53,193
Human Services	2,695,571	-	-	-	2,695,571
Education	2,852,550	9,291,586	-	-	12,144,136
Community Services	-	-	-	733,235	733,235
Public Safety	-	-	22,642,577	400,115	23,042,692
Committed:					
Tax Revaluation	105,086	-	-	-	105,086
Public Safety	704,631	-	-	-	704,631
Assigned:					
Subsequent year's expenditures	2,313,755	-	-	-	2,313,755
Public Safety	1,000,000	-	-	-	1,000,000
Human Services	2,000,000	-	-	-	2,000,000
Economic and Physical Development	1,070,000	-	-	-	1,070,000
Unassigned:	<u>25,044,003</u>	<u>-</u>	<u>-</u>	<u>(178,278)</u>	<u>24,865,725</u>
Total Fund Balances	<u>42,555,547</u>	<u>9,331,518</u>	<u>22,642,577</u>	<u>985,920</u>	<u>75,515,562</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 45,412,937</u>	<u>\$ 9,958,305</u>	<u>\$ 24,520,959</u>	<u>\$ 1,215,625</u>	

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

**GRANVILLE COUNTY, NORTH CAROLINA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO**  
**THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

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

Total Fund Balance, Governmental Funds (Exhibit 3)	\$ 75,515,562
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the	56,526,803
Net pension asset	78,151
Contributions to pension and OPEB plans and benefit payments and administration costs in the current fiscal year are deferred outflows of resources on the Statement of Net Position	1,368,280
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds	1,160,457
Deferred inflows of resources for taxes and special assessments receivabl	1,085,681
Internal service fund is used by management to charge insurance costs to individual funds; the assets and liabilities of the internal service fund are included in governmental activities in the statement of net position	411,486
Consolidation adjustment for internal balances between the internal service fund and the governmental funds	(2,039)
Pension and OPEB related deferrals	(1,016,677)
Long-term liabilities, including bonds payable, accrued interest, pension and other post employment benefits, and compensated absences are not due and payable in the current period and therefore are not reported in the	(131,359,131)
Net position of governmental activities (Exhibit 1)	\$ 3,768,573

**GRANVILLE COUNTY, NORTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	General Fund	Major School Repair Project Fund	Law Enforcement Center Fund	Nonmajor Other Governmental Funds	Total Governmental Funds
<b><u>REVENUES</u></b>					
Ad valorem taxes	\$ 40,736,763	\$ -	\$ -	\$ -	\$ 40,736,763
Sales and other taxes	11,527,328	-	-	-	11,527,328
Licenses, fees and other revenues	2,609,031	-	-	157,330	2,766,361
Restricted intergovernmental revenues	9,408,302	-	-	370,175	9,778,477
Investment earnings	962,748	-	449,328	8,441	1,420,517
Miscellaneous	115,165	-	-	6,734	121,899
Total Revenues	65,359,337	-	449,328	542,680	66,351,345
<b><u>EXPENDITURES</u></b>					
Current					
General government	3,990,744	-	-	-	3,990,744
Public safety	11,475,821	-	-	326,789	11,802,610
Community Services	4,229,428	-	-	23,753	4,253,181
Human services	9,964,361	-	-	-	9,964,361
Non-Departmental & Special Areas	3,288,306	-	-	-	3,288,306
Capital Outlay	-	4,357,355	11,181,065	3,364,437	18,902,857
Intergovernmental					
Education	17,623,166	-	-	-	17,623,166
Debt Service					
Principal	7,037,373	-	-	-	7,037,373
Interest	3,477,571	-	-	-	3,477,571
Total Expenditures	61,086,770	4,357,355	11,181,065	3,714,979	80,340,169
Revenues Over (Under) Expenditures	4,272,567	(4,357,355)	(10,731,737)	(3,172,299)	(13,988,824)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers from other funds	1,036,713	7,000,000	-	3,685,846	11,722,559
Transfers to other funds	(10,685,846)	-	(1,036,713)	-	(11,722,559)
Issuance of refunded debt	8,270,000	-	-	-	8,270,000
Issuance of debt	-	-	26,395,000	-	26,395,000
Debt premium	887,730	-	2,976,409	-	3,864,139
Payment to refunded bond escrow agent	(9,243,722)	-	-	-	(9,243,722)
Total Other Financing Sources (Uses)	(9,735,125)	7,000,000	28,334,696	3,685,846	29,285,417
Net Change in Fund Balances	(5,462,558)	2,642,645	17,602,959	513,547	15,296,593
Fund Balance - July 1	48,018,105	6,688,873	5,039,618	472,373	60,218,969
Fund Balance - June 30	\$ 42,555,547	\$ 9,331,518	\$ 22,642,577	\$ 985,920	\$ 75,515,562

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

**GRANVILLE COUNTY, NORTH CAROLINA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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Amounts reported for governmental activities in the statement of activities on Exhibit 2 are different because:

Net changes in fund balances - total governmental funds (Exhibit 4)	\$ 15,296,593
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.	9,525,938
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	374,408
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 position. 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	(21,855,902)
Contributions to pension and OPEB plans and benefit payments and administration costs in the current fiscal year are deferred outflows of resources on the Statement of Net Position	1,368,280
Internal service funds are used by management to charge the costs of health insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities	(732,246)
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.	(2,270,430)
Total changes in net position of governmental activities (Exhibit 2)	<u>\$ 1,706,641</u>

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

**GRANVILLE COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	General Fund			Variance with Final Positive (Negative)
	Original Budget	Final Budget	Actual	
<u>REVENUES</u>				
Ad valorem taxes	\$ 41,131,639	\$ 41,131,639	\$ 40,736,763	\$ (394,876)
Sales and other taxes	10,605,413	10,630,413	11,527,328	896,915
Licenses, fees and other revenues	2,159,752	2,182,752	2,609,031	426,279
Restricted intergovernmental revenues	8,629,636	9,261,168	9,408,302	147,134
Investment earnings	403,000	403,000	962,748	559,748
Miscellaneous	165,000	165,000	115,165	(49,835)
Total Revenues	63,094,440	63,773,972	65,359,337	1,585,365
<u>EXPENDITURES</u>				
General government	3,690,182	4,376,456	3,990,744	385,712
Public safety	11,251,122	11,808,455	11,475,821	332,634
Community services	4,500,457	4,517,669	4,229,428	288,241
Human services	11,969,629	12,246,853	9,964,361	2,282,492
Non-departmental and special areas	3,696,301	3,378,595	3,288,306	90,289
Education	17,531,166	17,623,166	17,623,166	-
Contingency	290,000	-	-	-
Debt Service	10,584,186	11,055,674	10,514,944	540,730
Total Expenditures	63,513,043	65,006,868	61,086,770	3,920,098
Revenues Over (Under) Expenditures	(418,603)	(1,232,896)	4,272,567	5,505,463
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers from other funds	-	-	1,036,713	1,036,713
Transfers to other funds	-	(42,285,909)	(10,685,846)	31,600,063
Proceeds from debt	-	26,395,000	-	(26,395,000)
Proceeds from refunded debt	-	8,270,000	8,270,000	-
Payment to refunded bond escrow agent	-	(9,256,526)	(9,243,722)	12,804
Appropriated Fund Balance	418,603	14,246,192	-	(14,246,192)
Total Other Financing Sources (Uses)	418,603	1,232,896	(9,735,125)	(10,968,021)
Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	(5,462,558)	\$ (5,462,558)
Fund Balance - July 1			48,018,105	
Fund Balance - June 30			\$ 42,555,547	

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



**GRANVILLE COUNTY, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2019**

	Enterprise Funds			Internal Service Fund
	Major Fund	Non-major Fund		Non-major Fund
	Solid Waste Management	Stormwater Fund	Total	County Health Plan Fund
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 2,449,335	\$ 306,126	\$ 2,755,461	\$ 653,599
Accounts receivable	389,650	53,800	443,450	-
Prepaid items	-	-	-	39,200
Total Current Assets	2,838,985	359,926	3,198,911	692,799
Noncurrent Assets:				
Capital assets:				
Land, improvements, and construction in progress	1,020,695	-	1,020,695	-
Other capital assets, net of depreciation	4,069,900	-	4,069,900	-
Total Capital Assets	5,090,595	-	5,090,595	-
Total Noncurrent Assets	5,090,595	-	5,090,595	-
Total Assets	7,929,580	359,926	8,289,506	692,799
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	54,829	16,486	71,315	-
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	169,245	22,740	191,985	281,313
Accrued interest payable	-	-	-	-
Customer deposits	-	-	-	-
Unearned Revenue	-	-	-	-
Due to General Fund	483,848	-	483,848	-
Compensated absences payable	6,332	-	6,332	-
Current portion of long-term debt	-	-	-	-
Total Current Liabilities	659,425	22,740	682,165	281,313
Noncurrent Liabilities:				
Net pension liability	61,150	17,322	78,472	-
Accrued landfill closure and postclosure care costs	9,502,439	-	9,502,439	-
Other postemployment benefits	216,287	113,059	329,346	-
Compensated absences payable	18,995	-	18,995	-
Total Noncurrent Liabilities	9,798,871	130,381	9,929,252	-
Total Liabilities	10,458,296	153,121	10,611,417	281,313
<b>DEFERRED INFLOWS OF RESOURCES</b>	46,447	24,204	70,651	-
<b>NET POSITION</b>				
Net investment in capital assets	5,090,595	-	5,090,595	-
Unrestricted	(7,610,929)	199,087	(7,411,842)	411,486
Total Net Position	\$ (2,520,334)	\$ 199,087	(2,321,247)	\$ 411,486
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			2,039	
Net position of business-type activities			\$ (2,319,208)	

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

**GRANVILLE COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Enterprise Funds			Internal Service Fund
	Major Fund	Non-major Fund		Non-major Fund
	Solid Waste Management	Stormwater Fund	Total	County Health Plan Fund
OPERATING REVENUES				
Restricted intergovernmental revenue	\$ -	\$ 33,263	\$ 33,263	\$ -
Charges for services	3,243,632	261,479	3,505,111	2,820,604
Miscellaneous	-	79,798	79,798	-
Total operating revenues	<u>3,243,632</u>	<u>374,540</u>	<u>3,618,172</u>	<u>2,820,604</u>
OPERATING EXPENSES				
Landfill closure and postclosure	1,882,287	-	1,882,287	-
Solid waste operations	1,231,549	-	1,231,549	-
Landfill operations	1,510,384	-	1,510,384	-
Stormwater operations	-	649,980	649,980	-
Depreciation	133,451	-	133,451	-
Health insurance administration	-	-	-	3,560,246
Total operating expenses	<u>4,757,671</u>	<u>649,980</u>	<u>5,407,651</u>	<u>3,560,246</u>
OPERATING INCOME (LOSS)	<u>(1,514,039)</u>	<u>(275,440)</u>	<u>(1,789,479)</u>	<u>(739,642)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest and fees	-	-	-	-
Interest earned on investments	21,387	-	21,387	-
Total nonoperating revenues (expenses)	<u>21,387</u>	<u>-</u>	<u>21,387</u>	<u>-</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	<u>(1,492,652)</u>	<u>(275,440)</u>	<u>(1,768,092)</u>	<u>(739,642)</u>
Capital contributions	-	-	-	-
Transfers from other funds	-	-	-	-
Total Capital Contributions and Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	<u>(1,492,652)</u>	<u>(275,440)</u>	<u>(1,768,092)</u>	<u>(739,642)</u>
NET POSITION, BEGINNING	<u>(1,027,682)</u>	<u>474,527</u>	<u>(553,155)</u>	<u>1,151,128</u>
TOTAL NET POSITION-ENDING	<u>\$ (2,520,334)</u>	<u>\$ 199,087</u>	<u>(2,321,247)</u>	<u>\$ 411,486</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(7,396)</u>	
Change in net position of business-type activities			<u>\$ (1,775,488)</u>	

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

**GRANVILLE COUNTY, NORTH CAROLINA**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Major Fund Enterprise Fund Solid Waste Management	Non-major Fund Enterprise Fund Stormwater Fund	Total Proprietary Funds	Non-major Fund Internal Service Fund County Health Plan Fund
Cash flows from operating activities:				
Cash received from customers	\$ 3,132,960	\$ 336,050	\$ 3,469,010	\$ 2,820,604
Cash paid for goods and services	(3,306,834)	(610,740)	(3,917,574)	(3,513,114)
Cash paid to employees for services	(288,804)	-	(288,804)	-
Net cash provided by operating activities	(462,678)	(274,690)	(737,368)	(692,510)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(79,658)	-	(79,658)	-
Increase in due to other funds	483,848	-	483,848	-
Net cash provided by capital and related financing activities	404,190	-	404,190	-
Cash flows from noncapital and related financing activities:				
Transfer-in	-	-	-	-
Net cash provided by noncapital and related financing activities	-	-	-	-
Cash flows from investing activities:				
Interest on investments	21,387	-	21,387	-
Net cash provided by investing activities	21,387	-	21,387	-
Net increase in cash and cash equivalents	(37,101)	(274,690)	(311,791)	(692,510)
Cash and cash equivalents, July 1	2,486,436	580,816	3,067,252	1,346,109
Cash and cash equivalents, June 30	\$ 2,449,335	\$ 306,126	\$ 2,755,461	\$ 653,599
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ (1,514,039)	\$ (275,440)	\$ (1,789,479)	\$ (739,642)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	133,451	-	133,451	-
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(110,672)	(38,490)	(149,162)	-
Increase (decrease) in accounts payable and accrued liabilities	16,172	(28,518)	(12,346)	47,132
Increase (decrease) in other postemployment benefits	(31,702)	50,163	18,461	-
Increase (decrease) in compensated absences payable	444	-	444	-
(Increase) decrease in deferred outflows of resources-pensions	(17,494)	(5,823)	(23,317)	-
Increase in net pension liability	20,839	5,659	26,498	-
Decrease in deferred inflows of resources - pensions	21,196	17,759	38,955	-
Increase (decrease) in landfill closure and postclosure costs	1,019,127	-	1,019,127	-
Total adjustments	1,051,361	750	1,052,111	47,132
Net cash provided by operating activities	\$ (462,678)	\$ (274,690)	\$ (737,368)	\$ (692,510)

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

**GRANVILLE COUNTY, NORTH CAROLINA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2019**

	Agency Funds
ASSETS	
Cash and investments	\$ 297,746
Due from other fund	21,049
Total Assets	\$ 318,795
LIABILITIES AND NET POSITION	
Liabilities:	
Miscellaneous liabilities	\$ 297,746
Due to component unit	21,049
Total Liabilities	\$ 318,795

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

**NOTES TO THE BASIC FINANCIAL  
STATEMENTS**

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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**I. Summary of Significant Accounting Policies**

The accounting policies of Granville County and its discretely presented component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

**A. Reporting Entity**

The County, which is governed by a seven-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally-separate entities for which the County is financially accountable. Two component units of the County have no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The other four discretely presented component units presented below are reported in a separate column in the County's government-wide financial statements in order to emphasize that they are legally separate from the County.

**Discretely Presented Component Units**

**Granville Health System**

Granville Health System (the "Hospital") is a public hospital. The County appoints the board of trustees for the Hospital. The County has also issued general obligation bonds for improvement of the Hospital's facilities and makes periodic appropriations to the Hospital to defray the costs of indigent care. The Hospital, which has a September 30 year-end, is presented as if it were a proprietary fund.

**Granville County ABC Board**

The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund.

**Granville County Tourism Development Authority**

The Granville County Tourism Development Authority (the "Tourism Development Authority") was established on September 18, 2000 by the Granville County Board of Commissioners. The Tourism Development Authority was formed to promote the use and development of Granville County recreational, historic, and tourism resources. Under the authority of HB 2218, and by resolution of the Granville County Board of Commissioners, Granville County shall on a quarterly basis, remit the net proceeds of the 6% occupancy tax to the Granville County Tourism Development Authority. The Tourism Development Authority is governed by a seven-member Board of Directors, four of whom are appointed by the Granville County Board of Commissioners, one selected by the Oxford City Council, one selected by the Butner City Council, and one selected by the Creedmoor City Council. The Granville County Tourism Development Authority, which has a June 30 year-end, is presented as if it were a governmental fund.

**South Granville Memorial Gardens**

The South Granville Memorial Gardens (the "Memorial Gardens") was established on June 3, 1996 by the Granville County Board of Commissioners. This association accounts for the activities of the South Granville Memorial Gardens Cemetery and provides perpetual care for the historical cemeteries located in the Butner reservation. South Granville Memorial Gardens is governed by a seven-member Board of Trustees, all of

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whom are appointed by the Granville County Board of Commissioners. Granville County appoints the voting majority of the Board and is able to impose its will on the Organization. The South Granville Memorial Gardens, which has a June 30 year-end, is presented as if it were a governmental fund.

*Granville County Industrial Facility and Pollution Control Financing Authority*

Granville County Industrial Facility and Pollution Control Financing Authority (the “Authority”) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority is governed by a seven-member board of commissioners, all of whom are appointed by the County Commissioners. The County can remove any commissioner of the Authority with or without cause. At June 30, 2019, the Authority had outstanding revenue bonds in the amount of \$1,200,000. The Authority has no financial transactions or account balances; therefore, it is not presented in the combined financial statements. The Authority does not issue separate financial statements.

*Granville County Public Facilities Company*

Granville County Public Facilities Company (the “Company”) exists to assist the County in the financing of capital projects. The Company is governed by a three to nine-member board of commissioners, all of whom are appointed by the County Commissioners. The County can remove any commissioner of the Company with or without cause. The Company has no financial transactions or account balances; therefore, it is not presented in the combined financial statements. The Company does not issue separate financial statements.

Complete financial statements for each of the individual component units may be obtained at the administrative offices of those entities.

Granville Health System  
1010 College Street  
Oxford, North Carolina 27565

Granville County ABC Board  
111 New College Street  
Oxford, North Carolina 27565

Granville County Tourism Development Authority  
Post Office Box 1286  
Oxford, North Carolina 27565

South Granville Memorial Gardens  
Post Office Box 1286  
Oxford, North Carolina 27565

**B. Basis of Presentation, Basis of Accounting**

**Basis of Presentation, Measurement Focus – Basis of Accounting**

**Government-wide Statements:** The statement of net position and the statement of activities display information about the primary government net position (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. However, some interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities

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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.

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

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

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

The County reports the following major governmental funds:

**General Fund.** This fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Revaluation Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 it is consolidated in the General Fund.

**School Repair Project Fund.** This fund accounts for the funding of repairs to be completed at various schools.

**Law Enforcement Center Fund.** This fund accounts for the funding of the construction of the law enforcement center.

The County reports the following major enterprise fund:

**Solid Waste Management Fund.** This fund accounts for the operation, maintenance, and development of various landfills and disposal sites.

The County reports the following internal service fund:

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

The County reports the following fund type:

**Agency Funds** – Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Inmate Trust Fund, which



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

**Non-Major Funds** – The County maintains seven legally budgeted funds. The Emergency Telephone System Fund and the R. H. Thornton Library Memorial Fund are reported as non-major special revenue funds. The Granville Greenway Project Fund, the Falls Meadow/Montgomery Place Project Fund, the Hospital Capital Projects Fund and the GAP Phase III Project Fund are reported as capital projects funds. The Stormwater Fund is the only enterprise fund that is a non-major fund.

**C. Measurement Focus and Basis of Accounting**

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

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

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

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

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

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 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 for property other than motor vehicles are materially past due and are

**GRANVILLE COUNTY, NORTH CAROLINA  
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not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, 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, the State of North Carolina is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. 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 position 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.

**D. Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Emergency Telephone System Fund, R. H. Thornton Library Fund, County Health Plan Fund and all Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Granville Greenway Project Fund, the Law Enforcement Center Fund, the Falls Meadow/Montgomery Place Project Fund, the Hospital Capital Projects Fund, the GAP Phase III Project Fund and the School Repair Project Fund.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for the general fund and at the functional level for the special revenue funds, enterprise funds, and capital projects funds. The County Manager is authorized by the budget ordinance to transfer appropriations between departments (or function levels, as applicable) within a fund up to \$1,000 temporarily subject to subsequent Board approval; however, any revisions that alter the total expenditures of any fund or that change functional appropriations by any amount must be approved by the governing board. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

**E. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Fund Equity**

**1. Deposits and Investments**

All deposits of the County, Granville Health System, Granville County ABC Board, Granville County Tourism Development Authority, and South Granville Memorial Gardens are made in board-designated official depositories and are secured as required by G. S. 159-31. The County, the Hospital, the ABC Board, the Tourism Development Authority, and the Memorial Gardens may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County, the Hospital, the ABC Board, the Tourism Development

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Authority, and the Memorial Gardens may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State Law [G.S. 159-30(c)] authorizes the County, the Hospital, the ABC Board, the Tourism Development Authority, and the Memorial Gardens to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

The majority of the County, the Hospital, the ABC Board, the Tourism Development Authority, and the Memorial Garden's investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT is a SEC-registered money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAA rating from S&P. The NCCMT Term Portfolio is a bond fund, has no rating and has a duration of .11 years. Both the NCCMT Government and Term Portfolios are reported at fair value.

**2. Cash and Cash Equivalents**

The County pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. Granville Health System, the ABC Board, the Tourism Development Authority, and the Memorial Gardens consider demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

**3. Restricted Assets**

The unexpended debt proceeds are classified as restricted assets in the capital projects funds because their use is completely restricted to the purpose for which the debt was originally issued. Money in the Tax Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150.

<u>Granville County Restricted Cash</u>	
<u>Governmental Activities</u>	
General Fund	Tax Revaluation \$ 105,086
General Fund	Register of Deeds 53,193
General Fund	Proceeds from hospital loan 2,294,051
General Fund	Reserve for hospital USDA loan 401,520
General Fund	Sinking fund set aside for debt payment 2,852,550
General Fund	Public safety forfeiture funds 704,631
Law Enforcement Center Fund	Unspent debt proceeds 24,520,959
School Repair Project Fund	Unspent debt proceeds 9,918,373
Total Governmental Activities	<u>40,850,363</u>
Total Restricted Cash	<u>\$ 40,850,363</u>

**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.

**GRANVILLE COUNTY, NORTH CAROLINA  
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These taxes are based on the assessed values as of January 1, 2018. As allowed by State law, the County has established a schedule of discounts that apply to taxes that paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

**5. Allowance for Doubtful Accounts**

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

**6. Inventory and Prepaid Items**

The inventories of the Hospital, the ABC Board, and the Memorial Gardens are valued at cost (first-in, first-out), which approximates market. The inventory of the Hospital, the ABC Board, and the Memorial Gardens consist of materials and supplies held for consumption or resale. The cost of the inventory carried in the Hospital, the ABC Board, and the Memorial Gardens is recorded as an expense as it is consumed or sold.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used in accordance with the consumption method.

**7. Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization costs are as follows: land, \$5,000; Buildings, improvements, substations, lines, and other plant and distribution systems, \$5,000; infrastructure, \$5,000; equipment and furniture, \$5,000; vehicles and motorized equipment, \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

	<u>Useful Life</u>
Buildings	40 years
Improvements	25 years
Furniture and equipment	10 years
Vehicles	5 years
Computer equipment	5 years
Software	5 years

Property, plant, and equipment in the proprietary funds of the County and those of the Hospital and the ABC Board are recorded at original cost at the time of acquisition. Property, plant, and equipment donated to these proprietary fund type operations are recorded at the estimated fair market value at the date of donation. Any interest incurred during the construction phase of proprietary fund type capital assets is reflected in the capitalized value of the asset constructed.

Proprietary fund assets of the County are depreciated on a class life basis as follows:

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	<u>Useful Life</u>
Water and sewer distribution assets	20-40 years
Furniture and office equipment	5 years
Maintenance and construction equipment	7 years
Land improvements	15 years

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

	<u>Useful Life</u>
Buildings	20 years
Furniture/equipment	5-10 years
Vehicles	6 years
Computers, etc.	3 years
Land Improvements	15 years

For the Hospital, depreciation is computed by the straight-line method over the estimated useful lives of each class of depreciable assets. Equipment under capital leases is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements.

**8. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion – a charge on refunding, pension related deferrals, and contributions made to the pension plan in the current fiscal year. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows or resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will be recognized as revenue until then. The County has only two items that meets the criterion for this category – prepaid taxes and other pension related deferrals.

**9. Long-Term Obligations**

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the statements of net position.

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

**10. Compensated Absences**

The vacation policies of the County, the Hospital, and the ABC Board provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. An expense and a liability for compensated absences and the salary-related payments are recorded as leave is earned in the County's government-wide and proprietary fund, and Hospital statements. The County's liability for accumulated earned vacation and the salary-related payments as of June 30, 2019 is recorded in the government-wide and proprietary fund financial statements on a LIFO basis. Employees typically take leave as it is earned and the current portion is estimated.

**GRANVILLE COUNTY, NORTH CAROLINA  
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The sick leave policies of the County, the Hospital, and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the County, the Hospital nor the ABC Board has any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

**11. Net Position/Fund Balances**

**Net Position**

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

**Fund Balances**

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

The governmental fund types classify fund balances as follows:

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

Prepaid items-portion of fund balance that is not an available resource because it represents the year-end balance of prepaids, which are not spendable resources.

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

Restricted for Stabilization by State Statute-North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

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

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Restricted for Public Safety-portion of fund balance that is restricted for Emergency Telephone System purposes and for the construction of a Law Enforcement Center.

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

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

Restricted for Human Services-portion of fund balance that is restricted for use for human services.

*Committed Fund Balance*-Portion of fund balance that can only be used for specific purpose imposed by resolution of the County's Board of Commissioners (highest level of decision-making authority). Any changes or removal of specific purposes requires resolution by the Board of Commissioners.

Committed for Tax Revaluation-portion of fund balance that can only be used for tax revaluation purposes.

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

*Assigned Fund Balance*-portion of fund balance that the County's governing board has budgeted.

Assigned for Subsequent year's expenditures-portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed.

Assigned for Public Safety-portion of fund balance that has been budgeted by the board for public safety purposes of constructing a Law Enforcement and Animal Shelter.

Assigned for Human Services-portion of fund balance that has been budgeted by the board for human services purposes of upgrading the Senior Services Center.

Assigned for Economic and Physical Development-portion of fund balance that has been budgeted by the board for the economic development incentives for various businesses.

*Unassigned Fund Balance*-Portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only governmental fund that reports a positive unassigned fund balance. Other governmental funds will only report an unassigned fund balance if their expenditures exceed the amounts that are restricted, committed or assigned for specific purposes which will cause a negative unassigned fund balance. Granville County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-city funds, and county funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it's in the best interest of the County.

The County will strive to maintain Unassigned General Fund Balance, as defined by the Governmental Accounting Standards Board, at the close of each fiscal year equal to 35% of General Fund Expenditures. At no time shall the County's Unassigned Fund Balance fall below 30% of General Fund Expenditures. Unassigned Fund Balance in excess of the targeted 35% of General Fund

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Expenditures may be appropriated from time to time for pay-as-you-go capital and other one-time uses.

The County Board may, from time-to-time, utilize fund balances that will reduce Unassigned Fund Balance below the 30% policy floor for the purposes of a declared fiscal emergency or other such global purpose as to protect or enhance the long-term fiscal security of Granville County. In such circumstances, the Board will adopt a plan to restore the Unassigned Fund Balance to the policy level within 36 months. If restoration cannot be accomplished within such time period without severe hardship to the County, then the Board will establish a different but appropriate time period.

**12. Defined Benefit Pension and OPEB Plans**

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS), the Registers of Deeds' Supplemental Pension Fund (RODSPF), the Law Enforcement Officers' Special Separation Allowance (LEOSSA) (collectively, the "state-administered defined benefit pension plans"), and one other postemployment benefit plan (OPEB), the Healthcare Benefits Plan (HCB). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. For purposes of measuring the total OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the additions to/deductions from the HCB's total liability have been determined on the same basis as they are reported by the HCB. For this purpose, the HCB recognizes benefit payments when due and payable in accordance with the benefit terms. Investments for all are reported at fair value.

**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 position

The governmental fund balance sheet includes reconciliation between fund balance-total governmental funds and net position for governmental activities as reported in the government-wide statement of net position. The net adjustment of \$ (71,746,989) consists of the following:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 77,298,593
Less accumulated depreciation	<u>(20,771,790)</u>
Net capital assets	<u>56,526,803</u>
Net pension asset	78,151
Contributions to the pension plan in the current fiscal year	1,048,446
Benefit payments and pension administration costs for	



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LEOSSA	23,939
Contributions to OPEB plan in the current fiscal year	295,895
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements.	155,562
Deferred charges related to advance refunding bond issued – included on government-wide statement of net position but are not current financial resources.	1,004,895
Internal service fund is used by management to charge insurance costs to individual funds; the assets and liabilities of the internal service fund is included in governmental activities in the statement of net position	411,486
Internal receivable representing cost in excess of charges to business-type activities-current year	(2,039)
Deferred inflows of resources for taxes and special assessments receivable	1,085,681
Pension related deferrals	2,407,931
OPEB related deferrals	(3,424,608)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Bonds, financing agreements, COPS and installments	(102,619,818)
Compensated absences	(1,027,537)
Other postemployment benefits	(16,056,023)
Net pension obligation-LGERS	(4,124,844)
Net pension obligation-LEOSSA	(1,648,569)
Premium on bonds	(5,011,941)
Accrued interest payable	(870,399)
Total adjustment	<u>\$ (71,746,989)</u>

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

The government fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The total adjustment of \$ (13,589,952) is comprised of the following:

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 11,280,242
Cost of disposed capital asset not recorded in fund statements	(19,277)
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	(1,735,027)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities – it affects only the government-wide statement of net position	(38,529,139)
Payments made to the escrow agent are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements	9,243,722
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the	

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government-wide statements	7,037,373
Amortization on deferred premium payments on debt that is recorded in the statement of activities but not in the fund statements	392,142
Internal service funds are used by management to charge the costs of health insurance to individual funds. The net revenue of certain activities of internal service fund is reported with governmental activities	
Change in net position of the internal service funds	(739,642)
Less: Profit from charges to business-type activities	<u>7,396</u>
Net adjustment	(732,246)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,048,446
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	23,939
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	295,895
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements	
-Amortization on deferred charges-refunding costs that is recorded in the statement of activities but not in the fund statements	(194,185)
-Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	(309,504)
-Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(53,726)
-OPEB expense	(2,030,993)
-County's portion of collective pension expense	317,978
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	94,370
-Increase in deferred inflows of resources-taxes receivable-at end of year	266,403
-Increase in accrued taxes receivable at end of year	<u>13,635</u>
Total adjustment	<u>\$ (13,589,952)</u>

**II. Stewardship, Compliance, and Accountability**

**A. Deficit Fund Balance or Net Position of Individual Funds**

In Exhibit 6, the Solid Waste Management Fund had a deficit net position in the amount of \$2,520,334. This deficit net position resulted from liabilities associated with landfill closure and postclosure costs. In Exhibit C-1, the Falls Meadow/Montgomery Place Project Fund had a deficit fund balance of \$178,278. This deficit fund balance resulted from funding not yet being received for this capital project.

**III. Detail Notes on All Funds**

**A. Assets**

**1. Deposits**

All of the County's, the Hospital's, the ABC Board's, the Tourism Development Authority's, and the Memorial Gardens' deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's, the Hospital's, the ABC Board's, the Tourism Development Authority's, or the Memorial Gardens' agents in these units' names. Under

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

The County, the Hospital, the ABC Board, the Tourism Development Authority and the Memorial Gardens have no formal policies regarding custodial credit risk for deposits.

At June 30, 2019, the County's deposits had a carrying amount of \$16,449,164 and a bank balance of \$17,155,345. Of the bank balance, \$750,000 was covered by federal depository insurance, and \$16,405,345 in interest bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2019, Granville County had \$1,675 cash on hand.

At June 30, 2019, the carrying amount of deposits for Granville County ABC Board was \$770,366 and the bank balance was \$708,304. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$458,304 was covered by collateral held by authorized escrow agents in the name of the State Treasurer. The ABC Board had \$4,900 cash on hand.

At September 30, 2018, the Hospital's deposits had a carrying amount of approximately \$6,168,000 and a bank balance of approximately \$6,805,000. Of the bank balance, approximately \$509,000 was covered by federal depository insurance and approximately \$6,296,000 was covered by collateral held under the Pooling method. The Hospital also had cash on hand at September 30, 2018, in the amount of approximately \$3,500.

At June 30, 2019, the Tourism Development Authority had a carrying amount of \$392,478 and a bank balance of \$384,773. All of the bank balance was covered by collateral held under the pooling method.

At June 30, 2019, the Memorial Gardens had a carrying amount of \$131,981 and a bank balance of \$132,378. All of the bank balance was covered by federal depository insurance.

**2. Investments**

As of June 30, 2019, the County had the following investments and maturities.

<u>Investment</u>		<u>Valuation</u>	<u>Fair Value</u>	<u>Less than 6 months</u>
		<u>Measurement Method</u>		
NC Capital Management Trust-				
Government Portfolio		Amortized Cost	\$ 15,620,068	\$ 15,620,068

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NC Capital Management Trust-Term*	Fair Value-Level 1	<u>46,870,506</u>	<u>46,870,506</u>
		<u>\$ 62,490,574</u>	<u>\$ 62,490,574</u>

\*As of June 30, 2019, the NCCMT Term Portfolio has a duration of .11 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

*Level of fair value hierarchy:* Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level Two debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The North Carolina Capital Management Trust's Cash Portfolio carried a credit rating of AAAM by Standard and Poor's. The North Carolina Capital Management Trust's Term Portfolio is not rated. The County has no policy on credit risk.

At June 30, 2019, South Granville Memorial Gardens' investments consisted of \$105,206 in the North Carolina Capital Management Trust's Term Portfolio. The North Carolina Capital Management Trust's Term Portfolio carried a credit rating of AAAM by Standard and Poor's. South Granville Memorial Gardens has no policy on credit risk.

**3. Property Tax-Use-Value Assessment on Certain Lands**

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

<u>Year</u>	<u>Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2016		\$ 2,612,680	\$ 842,089	\$ 3,454,769
2017		2,805,401	660,217	3,465,618
2018		2,839,733	417,927	3,257,660
2019		<u>3,448,126</u>	<u>198,267</u>	<u>3,646,393</u>
Totals		<u>\$ 11,705,940</u>	<u>\$ 2,118,500</u>	<u>\$ 13,824,440</u>

**4. Receivables**

Receivables at the government-wide level at June 30, 2019, were as follows:

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	<u>Accounts</u>	<u>Taxes and Accrued Interest</u>	<u>Due from other governments</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 1,765,958	\$ 1,391,243	\$ 2,233,665	\$ 5,390,866
School Repair Project Fund	39,932	-	-	39,932
Other Governmental Funds	30,848	-	-	30,848
Allowance for doubtful accounts	-	(150,000)	-	(150,000)
Total governmental activities	<u>\$ 1,836,738</u>	<u>\$ 1,241,243</u>	<u>\$ 2,233,665</u>	<u>\$ 5,311,646</u>
Business-type Activities:				
Solid Waste Management	\$ 381,892	\$ -	\$ 36,994	\$ 418,886
Stormwater Fund	53,800	-	-	53,800
Total	435,692	-	36,994	472,686
Allowance for doubtful accounts	(29,236)	-	-	(29,236)
Total business-type activities	<u>\$ 406,456</u>	<u>\$ -</u>	<u>\$ 36,994</u>	<u>\$ 443,450</u>

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

Local option sales tax	\$ 1,530,682
Sales tax refund receivable	355,095
Medicaid hold harmless	347,888
White goods tax	6,321
Scrap tire disposal tax	21,860
Solid waste tax distribution	8,813
Total	<u>\$ 2,270,659</u>

Leases in which the County is the lessor consist of the following:

Operating leases:

In October 2015, the County entered into a lease agreement with a solar energy company to lease an approximate 50-acre tract of land to allow the tenant to install and operate a solar energy generating facility. The lease expires in 30 years and has the option to extend the term for two additional five-year periods. The annual rental payment is as follows:

<u>Lease Years</u>	<u>Annual Rent</u>
1 – 10	\$52,500
11 – 15	\$56,000
16 – 20	\$59,500
21 – 25	\$63,000
26 – 30	\$66,500
31 – 35	\$70,000
36 – 40	\$73,500

**5. Capital Assets**

Capital asset activity for the year ended June 30, 2019, was as follows:

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	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 8,182,441	\$ 94,370	\$ -	\$ 8,276,811
Construction in Progress	<u>2,426,924</u>	<u>10,891,563</u>	<u>-</u>	<u>13,318,487</u>
Total capital assets not being depreciated	<u>10,609,365</u>	<u>10,985,933</u>	<u>-</u>	<u>21,595,298</u>
<b>Capital assets being depreciated:</b>				
Buildings	24,104,765	13,345	-	24,118,110
Improvements other than building	17,801,180	-	-	17,801,180
Machinery and Equipment	6,941,875	375,334	403,204	6,914,005
Intangible assets	<u>6,870,000</u>	<u>-</u>	<u>-</u>	<u>6,870,000</u>
Total capital assets being depreciated	<u>55,717,820</u>	<u>388,679</u>	<u>403,204</u>	<u>55,703,295</u>
Less accumulated depreciation for:				
Buildings	9,904,020	659,399	-	10,563,419
Improvements other than building	3,434,594	420,109	-	3,854,703
Machinery and Equipment	5,566,826	483,769	383,927	5,666,668
Intangible assets	<u>515,250</u>	<u>171,750</u>	<u>-</u>	<u>687,000</u>
Total accumulated depreciation	<u>19,420,690</u>	<u>1,735,027</u>	<u>383,927</u>	<u>20,771,790</u>
Governmental type activities capital assets, net	<u>\$ 46,906,495</u>			<u>\$ 56,526,803</u>
Depreciation expense was charged to functions/programs of the primary government as follows:				
General government	\$ 355,033			
Public safety	662,603			
Human services	135,422			
Community services	405,667			
Economic development	<u>176,302</u>			
Total depreciation expense	<u>\$ 1,735,027</u>			
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 1,020,695	\$ -	\$ -	\$ 1,020,695
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated	<u>1,020,695</u>	<u>-</u>	<u>-</u>	<u>1,020,695</u>
<b>Capital assets being depreciated:</b>				
Buildings	39,017	79,657	-	118,644
Improvements other than buildings	4,734,167	-	-	4,734,167
Fixtures & Equipment	98,747	-	-	98,747
Machinery and equipment	<u>345,339</u>	<u>-</u>	<u>-</u>	<u>345,339</u>
Total capital assets being depreciated	<u>5,217,270</u>	<u>79,657</u>	<u>-</u>	<u>5,296,927</u>
Less accumulated depreciation for:				
Buildings	21,376	3,453	-	24,829
Improvements other than buildings	699,779	123,414	-	823,193
Fixtures & Equipment	27,082	6,584	-	33,666
Machinery and equipment	<u>345,339</u>	<u>-</u>	<u>-</u>	<u>345,339</u>
Total accumulated depreciation	<u>1,093,576</u>	<u>\$ 133,451</u>	<u>\$ -</u>	<u>1,227,027</u>
Business-type activities capital assets, net	<u>\$ 5,144,389</u>			<u>\$ 5,090,595</u>

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Depreciation expense is charged as follows

Landfill	\$ 113,214
Convenience sites	<u>20,237</u>
Total depreciation expenses	<u>\$ 133,451</u>

Activity for the ABC Board for the year ended June 30, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Capital assets not being depreciated:</b>				
Land	\$ 338,774	\$ -	\$ -	\$ 338,774
<b>Capital assets being depreciated:</b>				
Buildings	986,595	-	-	986,595
Furniture and equipment	134,285	555	321	134,519
Vehicles	23,208	-	-	23,208
Computers & software	<u>18,993</u>	<u>11,228</u>	<u>-</u>	<u>30,161</u>
Total capital assets being depreciated	<u>1,163,021</u>	<u>11,783</u>	<u>321</u>	<u>1,174,483</u>
Less accumulated depreciation for:				
Buildings	71,314	24,490	-	95,804
Furniture and equipment	30,595	16,558	321	46,832
Vehicles	23,208	-	-	23,208
Computers & software	<u>16,224</u>	<u>1,982</u>	<u>-</u>	<u>18,206</u>
Total accumulated depreciation	<u>141,341</u>	<u>\$ 43,030</u>	<u>\$ 321</u>	<u>184,050</u>
ABC Board capital assets, net	<u>\$ 1,360,454</u>			<u>\$ 1,329,207</u>

Activity for Granville Health System for the year ended September 30, 2018, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Capital assets not being depreciated:</b>				
Land	\$ 1,790,207	\$ -	\$ -	\$ 1,790,207
CIP	<u>180,639</u>	<u>1,460,949</u>	<u>(135,439)</u>	<u>1,506,149</u>
Total capital assets not being depreciated	<u>1,970,846</u>	<u>1,460,949</u>	<u>(135,439)</u>	<u>3,296,356</u>
<b>Capital assets being depreciated:</b>				
Buildings	31,052,048	137,956	-	31,190,004
Capitalized interest	181,828	-	-	181,828
Land Improvements	1,707,754	-	-	1,707,754
Equipment and fixtures	<u>32,593,901</u>	<u>1,016,760</u>	<u>(23,627)</u>	<u>33,587,034</u>
Total capital assets being depreciated	<u>65,535,531</u>	<u>1,154,716</u>	<u>(23,627)</u>	<u>66,666,620</u>
Less accumulated depreciation for:				
Buildings	14,805,782	831,442	-	15,637,224
Land Improvements	1,177,964	53,290	-	1,231,254
Equipment and fixtures	<u>21,987,657</u>	<u>1,746,679</u>	<u>12,316</u>	<u>23,722,020</u>
Total accumulated depreciation	<u>37,971,403</u>	<u>\$ 2,631,411</u>	<u>\$ 12,316</u>	<u>40,590,498</u>
Total capital assets being depreciated, net	<u>27,564,128</u>			<u>26,076,122</u>
Business-type activities capital assets, net	<u>\$ 29,534,974</u>			<u>\$ 29,372,478</u>

**B. Liabilities**

**1. Payables**

Payables at the government-wide level at June 30, 2019, were as follows:

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	<u>Vendors</u>	<u>Accrued Salaries</u>	<u>Accrued Interest</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 1,041,086	\$ 635,682	\$ 870,399	\$2,547,167
School Repair Project Fund	626,787	-	-	626,787
Law Enforcement Center Fund	1,878,382	-	-	1,878,382
Other Governmental Funds	418	-	-	418
County Health Plan Fund	<u>281,313</u>	<u>-</u>	<u>-</u>	<u>281,313</u>
Total-governmental activities	<u>\$ 3,827,986</u>	<u>\$ 635,682</u>	<u>\$ 870,399</u>	<u>\$5,334,067</u>
Business-type Activities:				
Solid Waste Management	\$ 169,245	\$ -	\$ -	\$ 169,245
Stormwater Fund	<u>22,740</u>	<u>-</u>	<u>-</u>	<u>22,740</u>
Total-business-type activities	<u>\$ 191,985</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191,985</u>

**2. Pension Plan and Other Postemployment Obligations**

**a. Local Governmental Employees' Retirement System**

*Plan Description.* The County is a participating employer in 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 membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. 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, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan. LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who



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die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2019, was 8.50% of compensation for law enforcement officers and 7.75% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,064,421 for the year ended June 30, 2019. Contributions to the pension plan from the Hospital were approximately \$1,543,000 for the year ended September 30, 2018.

*Refunds of Contributions* – County employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2019, the County reported a liability of \$4,203,316 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2019, the County's proportion was .177%, which was a decrease of .003% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the County recognized pension expense of \$1,225,686. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 648,472	\$ 21,759
Changes of assumption	1,115,398	
Net difference between projected and actual earnings on pension plan investments	576,990	-
Changes in proportion and differences between County contributions and proportionate share of contributions	112,021	-
County contributions subsequent to the measurement date	1,064,421	-
Total	<u>\$ 3,517,302</u>	<u>\$ 21,759</u>

\$1,064,421 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ 1,160,978
2021	763,101
2022	158,149
2023	348,894
Total	<u>\$ 2,431,122</u>

At September 30, 2018, the Hospital reported a liability of approximately \$7,516,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The Hospital's proportion of the net pension liability was based on a projection of the Hospital's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At September 30, 2018, the Hospital's proportion was 0.31683%, which was a decrease of 0.02199% from its proportion measured as of September 30, 2017.

For the year ended September 30, 2018, the Hospital recognized pension expense of approximately \$1,968,000. At September 30, 2018, the Hospital reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 1,159,585	\$ 38,910
Changes in assumptions	1,994,534	-
Net difference between projected and actual earnings on pension plan investments	1,031,763	-
Changes in proportion and differences between Hospital contributions and proportionate share of contributions	-	309,182
Hospital contributions subsequent to the measurement date	424,030	-
Total	<u>\$ 4,609,912</u>	<u>\$ 348,092</u>

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\$424,030 reported as deferred outflows related to pensions resulting from Hospital contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended September 30, 2019. Other amounts reported as deferred inflows related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2019	\$ 1,883,133
2020	1,228,001
2021	170,741
2022	<u>555,915</u>
Total	<u>\$ 3,837,790</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan actuary currently uses mortality rates based on the *RP-2014 Total Data Set For Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income returns projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	<u>6.0%</u>	<u>4.0%</u>
Total	<u>100%</u>	

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The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's and Hospital's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<u>1% Decrease</u> <u>(6.00%)</u>	<u>Discount</u> <u>Rate (7.00%)</u>	<u>1% Increase</u> <u>(8.00%)</u>
County's proportionate share of the net pension liability (asset)	\$ 10,096,728	\$ 4,203,316	\$(721,312)
Hospital's proportionate share of the net pension liability (asset)	\$ 18,054,782	\$ 7,516,291	\$(1,289,837)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

**b. Law Enforcement Officer's Special Separation Allowance**

**1. Plan Description**

Granville County administers a public employee retirement system (*the Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. 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.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2017, the Separation Allowance's membership consisted of:

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Retirees receiving benefits	3
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>50</u>
Total	<u>53</u>

**2. Summary of Significant Accounting Policies:**

*Basis of Accounting* – The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance does not have assets accumulated in a trust that meets the criteria which are outlined in GASB Statement 73.

**3. Actuarial Assumptions**

The entry age actuarial cost method was used in the December 31, 2017 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.50 to 7.35 percent
Discount rate	3.64 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2017.

The actuarial assumptions used in the December 31, 2017 valuation were based on results of an experience study completed by the Actuary for the LGERS for the five year period ending December 31, 2014.

**Mortality Rates**

**Deaths After Retirement (Healthy):** Mortality rates are based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table. The RP-2014 annuitant tables have no rates prior to age 50. The RP-2014 Total Data Set Employee Mortality Table is used for ages less than 50. Rates for male members are multiplied by 104% for all ages. Rates for female members are multiplied by 100% for all ages.

**Deaths After Retirement (Disabled):** Mortality rates are based on the RP-2014 Total Data Set for Disabled Annuitants Mortality Table. Rates for male members are multiplied by 103% for all ages. Rates for female members are multiplied by 99% for all ages.

**Deaths Before Retirement:** Mortality rates are based on the RP-2014 Total Data Set Employee Mortality Table.

**Deaths After Retirement (Beneficiary):** Mortality rates are based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table. Rates for male and female members are multiplied by 123% for all ages.

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**4. 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 on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The County paid \$41,934 as benefits came due for the reporting period.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2019, the County reported a total pension liability of \$1,648,569. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was rolled forward to December 31, 2018 utilizing update procedures incorporating the actuarial assumptions.

For the year ended June 30, 2019, the County recognized pension expense of \$135,339.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 46,429	\$ 34,276
Changes of assumptions	73,387	75,473
County benefit payments and admin expenditures paid subsequent to the measurement date	23,939	-
Total	<u>\$ 143,755</u>	<u>\$ 109,749</u>

The County paid \$23,939 in benefit payments and \$0 in admin expenditures subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2020	\$ 5,341
2021	5,341
2022	5,341
2023	7,857
2024	(13,813)

*Sensitivity of the County's total pension liability to changes in the discount rate.* The following presents the County's total pension liability calculated using the discount rate of 3.64 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64 percent) or 1-percentage-point higher (4.64 percent) than the current rate:

	<b>1% Decrease (2.64%)</b>	<b>Discount Rate (3.64%)</b>	<b>1% Increase (4.64%)</b>
Total pension liability	\$ 1,793,566	\$ 1,648,569	\$ 1,516,216

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**Schedule of Changes in Total Pension Liability  
Law Enforcement Officer's Special Separation Allowance**

	<b><u>2019</u></b>
Beginning balance	\$ 1,669,988
Service Cost	77,889
Interest on the total pension liability	52,109
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(41,507)
Changes of assumptions or other inputs	(67,976)
Benefit payments	(41,934)
Other changes	-
Ending balance of the total pension liability	<u>\$ 1,648,569</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.16 percent at June 30, 2018 to 3.64 percent at June 30, 2019.

The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

**c. Supplemental Retirement Income Plan for Law Enforcement Officers**

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

*Funding Policy* – Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2019, were \$191,004, which consisted of \$140,982 from the County and \$50,022 from the law enforcement officers.

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

*Plan Description.* Granville County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, cost-sharing, multiple-employer, defined benefit pension plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired

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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. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov). *Benefits Provided.* An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,823 for the year ended June 30, 2019.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2019, the County reported an asset of \$78,151 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2019, the County's proportion was .472%, which was a decrease of .009% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the County recognized pension expense of \$13,489. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



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	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 689	\$ 3,567
Changes of assumptions	3,676	-
Net difference between projected and actual earnings on pension plan investments	12,457	-
Changes in proportion and differences between County contributions and proportionate share of contributions	1,778	3,248
County contributions subsequent to the measurement date	<u>3,823</u>	<u>-</u>
Total	<u>\$ 22,423</u>	<u>\$ 6,815</u>

\$3,823 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ 4,607
2021	1,572
2022	3,671
2023	1,935

*Actuarial Assumptions.* The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the

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expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 9 is 1.4%:

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	<u>1% Decrease</u> <u>(2.75%)</u>	<u>Discount</u> <u>Rate(3.75%)</u>	<u>1% Increase</u> <u>(4.75%)</u>
County's proportionate share of the net pension liability (asset)	\$ (61,618)	\$ (78,151)	\$ (92,094)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

**e. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.**

The net pension liability for LGERS and ROD was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2018, with an actuarial valuation date of December 31, 2017.

The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

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	<b><u>LGERS</u></b>	<b><u>ROD</u></b>	<b><u>LEOSSA</u></b>	<b><u>Total</u></b>
Proportionate Share of Net Pension Liability (Asset)	\$ 4,203,316	\$ (78,151)	\$ -	\$ 4,125,165
Proportion of the Net Pension Liability (Asset)	.177%	(.472%)	N/A	N/A
Total Pension Liability	-	-	1,648,569	1,648,569
Pension Expense	\$ 1,225,686	\$ 13,489	\$ 135,339	\$ 1,374,514

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>LGERS</u></b>	<b><u>ROD</u></b>	<b><u>LEOSSA</u></b>	<b><u>Total</u></b>
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual experience	\$ 648,472	\$ 689	\$ 46,429	\$ 695,590
Changes of assumptions	1,115,398	3,676	73,387	1,192,461
Net difference between projected and actual earnings on pension plan investments	576,990	12,457	-	589,447
Changes in proportion and differences between County contributions and proportionate share of contributions	112,021	1,778	-	113,799
County contributions (LGERS, ROD)/benefit payments (LEOSSA) subsequent to the measurement date	1,064,421	3,823	23,939	1,092,183
<b><u>Deferred Inflows of Resources</u></b>				
Differences between expected and actual experience	21,759	3,567	34,276	59,602
Changes of assumptions	-	-	75,473	75,473
Changes in proportion and differences between County contributions and proportionate share of contributions	-	3,248	-	3,248

**f. Other Postemployment Benefits**

**Plan Description**

*Plan Description* –Under a County resolution, Granville County administers the Healthcare Benefits Plan (HCB Plan), single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all employees hired prior to July 1, 2014 and who retire under the provisions of the North Carolina Local Governmental Employees' Retirement System (System) and were employed with the County at retirement are eligible to participate in the HCB Plan if they meet one of the following retirement conditions:

- Age 65 or older and have been previously employed by the County on a regular full-time basis for at least twenty years.
- Age 62 or older and have been previously employed by the County on a regular full-time basis for at least twenty-two years.
- Age 55 or older and have been previously employed by the County on a regular full time basis for at least twenty-five years.
- Have been previously employed by the County on a regular full-time basis for at least thirty years regardless of age.

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- County Commissioners having served three complete terms. County Commissioners having served two complete terms may continue coverage by assuming financial responsibility for the payment of the entire premium.

The plan, which has a June 30, 2019 year end, does not issue a stand-alone report.

*Benefits provided:* The HCB Plan provides healthcare benefits for retirees. The County will subsidize a portion of the HCB Plan premium for eligible retirees in an amount equal to a single active employee's coverage. Retirees qualifying for County subsidized health premiums will receive at no cost a County subsidized Medicare Supplement policy and Medicare Part D coverage upon becoming Medicare eligible. Health care and prescription drug coverage are provided in the County's HCB Plan.

*Contributions.* The Board of Commissioners established the contribution requirements of plan members which may be amended by the Board. The Board establishes rates based on an actuarially determined rate. For the year ended June 30, 2019, the Non-Medicare monthly premium was \$739 per month. If the employees and retirees qualified for the Wellness Option, they contributed \$30 or the Non-Wellness Option contributed \$105 per month. For those that are on Medicare, the County provides a Medicare Supplement and Prescription Plan that ranges from \$255 per month to \$379 per month depending on the age of the beneficiary. The Board of Commissioners may amend the benefit provisions.

For the current year, the County contributed \$313,276.

*Plan membership.* Membership of the HCB Plan consisted of the following at June 30, 2018, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefit payments	56
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	191
Total Membership	<u>247</u>

**Total OPEB Liability**

The County's total OPEB liability of \$16,385,369 was measured as of June 30, 2018 and was determined by an actuarial valuation as of June 30, 2018.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Real wage growth	1.00 percent
Wage inflation	3.50 percent
Salary increase, including wage inflation	
General Employees	3.50 to 7.75 percent
Law Enforcement Officers	3.50 to 7.35 percent
Discount rate	3.89 percent

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Healthcare cost trend rates	
Pre-Medicare	7.25% for 2018 decreasing to an ultimate rate of 4.75% by 2028
Medicare	5.38% for 2018 decreasing to an ultimate rate of 4.75% by 2022

The discount rate is based on the June average of the Bond Buyer 20-year General Obligation Bond Index published weekly by The Bond Buyer and the discount rate used to measure the TOL is the Municipal Bond Index Rate as of the measurement date.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, adopted by the LGERS Board.

The remaining actuarial assumptions used were based on a review of recent plan experience done concurrently with the June 30, 2018 valuation.

**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
Balance at June 30, 2017	\$ 17,970,226
Service Cost	531,757
Interest on the total OPEB liability and Cash Flows	634,212
Changes of benefit terms	-
Differences between expected and actual experience	(1,432,377)
Changes of assumptions or other inputs	(1,005,173)
Benefit payments	(313,276)
Other changes	-
Balance at June 30, 2018	<u>\$ 16,385,369</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.56% to 3.89%.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The actuarial assumptions used in the June 30, 2018 valuation was based on the results of an actuarial experience study for the period January 2010 through December 2014.

*Sensitivity of the net OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.89) or 1-percentage-point higher (4.89 percent) than the current discount rate:

	1% Decrease (2.89%)	Discount Rate (3.89%)	1% Increase (4.89%)
Total OPEB liability	\$ 19,656,149	\$ 16,385,369	\$ 13,840,433

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*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Discount</u>	<u>1% Increase</u>
Total OPEB liability	\$ 13,655,290	\$ 16,385,369	\$ 19,951,280

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the County recognized OPEB expense of \$489,175. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,260,545
Changes of assumptions	-	2,234,310
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	-
County contributions subsequent to the measurement date	<u>301,964</u>	<u>-</u>
Total	<u>\$ 301,964</u>	<u>\$ 3,494,855</u>

\$301,964 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease in the total OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2019	\$ (689,794)
2020	(689,794)
2021	(689,794)
2022	(689,794)
2023	(641,927)
Thereafter	(93,752)

**g. 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 month's 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. Because all

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death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. 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. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Contributions for death benefits from the County were \$11,397 for the year ended June 30, 2019.

**3. Closure and Postclosure Care Costs – Landfill Facility**

State and federal laws and regulations require the County to place a final cover on its landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Granville County currently has closed two landfills – the Butner MSW site and the Oxford C&D site. The Butner site has 9 years remaining under the post closure requirements and the Oxford C&D site, which was capped and closed in 2019, will be monitored another 30 years. The County opened an NSW landfill on May 1, 2013 at the Oxford site, which is expected to have a 70-100-year capacity. It is currently at 20% of total capacity. The \$9,502,439 reported as landfill closure and postclosure care liability at June 30, 2019, represents the latest estimate for the remaining years of post closure maintenance and monitoring required for the two closed landfills (Butner and Oxford) and the open site in Oxford.

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

**4. Deferred Outflows and Inflows of Resources**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Charge on refunding of debt	\$ 1,004,895	\$ -
Difference between expected and actual experience		
Pensions	695,590	59,602
OPEB	-	1,260,545
Changes of assumptions		
Pensions	1,192,461	75,473
OPEB	-	2,234,310
Difference between projected and actual investment earnings		
Pensions	589,447	-
Change in proportion and difference between employer contributions and proportionate share of contributions		
Pensions	113,799	3,248
Contributions to pension plan subsequent to measurement date (LGERS, ROD)	1,068,244	-
Benefit payments for the OPEB plan paid subsequent to measurement date	301,964	-

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Benefit payments/administrative costs paid subsequent to the measurement date (LEOSSA)	23,939	-
Prepaid taxes not yet earned (General)	-	73,891
Taxes receivable, net (General)	-	1,085,681
Total	<u>\$ 4,990,339</u>	<u>\$ 3,707,069</u>

**5. Risk Management**

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk-financing pools administered by the North Carolina Association of County Commissioners Joint Risk Management Agency. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to total insured values, with sub-limits on coverage for specified perils; general, auto, professional, employment practices, and law enforcement liability coverage of \$2 million per occurrence; auto physical damage coverage for owned autos at actual cash value; crime coverage of \$250,000 per occurrence; and workers' compensation coverage up to the statutory limits. All property coverage and some liability coverage is subject to per occurrence deductibles, as selected by the County. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Both of these pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000, up to a \$2 million limit for liability coverage, and single occurrence losses in excess of \$750,000 for workers' compensation. Through the captive, the Liability and Property Pool is reinsure for \$2,000,000 of annual aggregate losses in excess of \$250,000 per occurrence for property, auto physical damage and crime coverage, with additional limits of \$498 million purchased through a group of commercial carriers through the multi-state public entity captive. The County provides employee health and dental benefits through a self-insured plan provided by Blue Cross Blue Shield (BCBS). Claims are administered and paid directly from the plan by BCBS. Specific stop-loss is set at \$80,000 per individual health insurance claim with an unlimited lifetime maximum. Aggregate stop-loss is set at the level of 125% with a minimum aggregate attachment point of \$2,508,360 and a contract period maximum of \$1,000,000.

In accordance with G. S. 159-29, the County's employees that have access to \$100 or more of the County's funds at any given time are performance bonded through a commercial crime coverage with a \$250,000 occurrence limit. Individuals holding positions requiring statutory bonds are covered elsewhere. The Director of Finance and tax collector are each individually bonded for \$250,000 each. The Sheriff and Register of Deeds are each individually bonded for \$25,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$10,000.

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

Granville County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The ABC Board has property, general liability, auto liability, workers' compensation, and employee health coverage. The Board also has liquor legal liability. There have been no significant reductions in insurance coverage from the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

Granville Health System is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets, business interruption: errors and omissions; employee injuries and illnesses;



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natural disasters; medical malpractice; and employee health benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years. The Hospital is insured for medical malpractice claims and judgments.

**6. Contingent Liabilities**

At June 30, 2019, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

**7. Long-Term Obligations**

**a. Financing Agreements**

In December 2011, Granville County entered into a utility sales agreement with the City of Henderson to provide water and sewer services to Triangle North Industrial Park. This utility agreement has since been challenged legally by the City of Oxford. The lawsuit regarding this matter was settled in August 2015.

Governmental Activities

The agreement for \$9,000,000 was executed in December 2011, for the utility sales agreement for water and sewer services for an industrial park and required 9 annual payments of \$951,138.37. A payment of \$951,139 was made at the execution of the agreement. The interest rate is 1.25%. This agreement was ended by a lawsuit settlement and the County is no longer obligated to make any payments.

\$ -

The agreement with the City of Oxford was executed in August 2015, for the utility sales agreement for water and sewer services for an industrial park and required an initial payment of \$1,370,000 and financed the balance of \$5.5 million over seven years at a rate of 1.25%.

2,415,818

Total

\$ 2,415,818

For Granville County, the future minimum payments as of June 30, 2019, including \$60,646 of interest are:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 795,290	\$ 30,198
2021	805,231	20,257
2022	815,297	10,191
	<u>\$ 2,415,818</u>	<u>\$ 60,646</u>

**b. Operating Lease**

The Hospital has entered into an operating lease agreement lease space in a medical office building adjacent to the Hospital. Under the agreement, the Hospital is obligated to pay 180 monthly payments of \$18,666. Each year the rate is increased three percent. There are two renewal options of five years each under the agreement. Currently this space is subleased to several tenants. Rental terms include maturity dates from three to five years with each lease having renewal options to extend the original terms. Rental income under these subleases

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amounted to approximately \$98,000 and \$108,000 as of September 30, 2018 and 2017, respectively.

Total rental expense charged to operations amounted to approximately \$739,000 and \$789,000 for the years ended September 30, 2018 and 2017, respectively. Approximate future minimum rentals for years ending September 30 are as follows:

2019	\$ 679,528
2020	621,075
2021	573,299
2022	555,429
2023	548,841
Total	<u>\$ 2,978,172</u>

**c. Installment Purchases**

As authorized by State law [G.S. 160A-20 and 153A-158.1], the County financed various property acquisitions through installment financing. The County's installment purchases at June 30, 2019, are comprised of the following individual issues:

The County entered into an installment purchase agreement on March 15, 2007 for financing of replacement windows for Granville Health System for \$1,500,000. The transaction requires monthly payments in the amount of \$11,073 at an interest rate of 3.97%. Title to these assets belongs to Granville Health System.

\$ 345,044

In May 2008, the County entered into an installment agreement for \$3,859,760 with payments due on May 13 and November 13 in installments of \$147,242 through November 13, 2017 and installments of \$91,492, thereafter. Interest will be paid at 3.72 percent. This debt was used to finance E911 equipment for \$1,115,000 and school construction for \$2,744,760.

E911 Equipment

-

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

-

In September 2012, the County entered into a \$8,950,000 installment financing agreement for the reimbursement of the Triangle North-Granville purchase (\$5,350,000), renovations to the County's Orange street facility (\$2,100,000), renovations to the County's Lanier street facility (\$1,100,000), and renovations to the County's Courthouse (\$400,000). Payments of interest are due on February 1 and August 1 with principal payments ranging from \$639,000-\$640,000. The interest rate on the loan is 2.22%.

5,755,000

In July 2012, the County entered into a \$1,810,000 installment financing agreement for the purchase and upfit of an existing Medical Office Building located near the Granville Health System to be used by the Medical Center for physician office space. Interest and principal payments are due on January 17 and July 17. Interest is at a rate of 3.73%.

1,146,585

In August 2014, the County entered into a \$9,000,000 installment financing agreement to finalize funding for the Granville Health System Emergency Room renovations. The funding was obtained through the USDA. Payments for this agreement are made monthly for 30 years with a 4.0% interest rate.

8,168,389

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In August 2014, the County entered into a \$5,000,000 installment financing agreement to finalize funding for the Granville Health System Emergency Room renovations. The funding was obtained through the USDA. Payments for this agreement are made monthly for 30 years with a 4.0% interest rate.	4,537,982
In April 2018, the County entered into a \$8,105,000 installment financing agreement to fund school repairs. Payments are due on April 1 and October 1 for the next 20 years. Interest will be paid at a rate of 3.58%.	7,699,000
In May 2018, the County entered into a \$5,800,000 installment financing agreement to fund a hospital building. Payments are due on annually on May 9 for the next 20 years. Interest will be paid at a rate of 4.22%.	5,510,000
In September 2014, the County entered into a \$11,750,000 installment financing agreement to fund expansion at Granville Central High School. Payments are due on April 1 and October 1 for the next 15 years. Interest will be paid at a rate of 3.18%.	-
Total	<u>\$ 33,162,000</u>

For Granville County, the future minimum payments as of June 30, 2019, including \$13,185,307 of interest are:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2020	\$ 1,873,569	\$ 1,177,517
2021	1,895,135	1,115,015
2022	1,883,588	1,051,766
2023	1,804,152	991,206
2024	1,821,862	931,556
2025-2029	8,539,729	3,747,376
2030-2034	5,903,167	2,486,580
2035-2039	5,744,781	1,288,791
2040-2044	3,619,983	395,217
2045	76,034	283
	<u>\$ 33,162,000</u>	<u>\$ 13,185,307</u>

**d. Certificates of Participation**

Certificates of participation are serviced by the County's general fund. Principal and interest requirements are appropriated when due. They were used to finance school construction.

**\$10,785,000** Series 2010A Limited Obligation Certificates of Participation, Recovery Zone Economic Development Bonds, issued August 2010, with interest semiannually on March 1 and September 1 and principal due annually on September 1 through 2030, interest at 1.55% to 6%. Annual payments are required to be made into a sinking fund held by US Bank beginning in September 2023. The deposits and the interest earned on those deposits will be used to make the principal payment in September 2030. These bonds are eligible for federal interest subsidy payments equal to 45% of the true interest cost of the bonds as provided in the American Recovery and Reinvestment Act (ARRA).

\$ 6,855,000

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**\$5,215,000** Series 2010B Limited Obligation Certificates of Participation, Qualified School Construction Bonds, issued August 2010, with interest semiannually on March 1 and September 1 and principal due annually on September 1 through 2025, interest at 5.05%. Annual payments are required to be made into a sinking fund held by US Bank. The deposits and the interest earned on those deposits will be used to make the principal payment in September 2025. These bonds are eligible for federal interest subsidy payments equal to 100% of the true interest cost of the bonds as provided in the American Recovery and Reinvestment Act (ARRA) and the Hiring Incentives to Restore Employment (HIRE) Act.

**Total**

5,215,000  
\$ 12,070,000

For Granville County, the future minimum payments as of June 30, 2019, including \$6,292,900 of interest are:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2020	\$ 495,000	\$ 619,960
2021	495,000	598,675
2022	495,000	576,400
2023	495,000	553,383
2024	495,000	529,251
2025-2029	7,995,000	3,319,231
2030-2031	<u>1,600,000</u>	<u>96,000</u>
	<u>\$ 12,070,000</u>	<u>\$ 6,292,900</u>

**e. General Obligation Indebtedness**

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

The County's general obligation bonds payable at June 30, 2019, are comprised of the following individual issues:

**General Obligation Bonds**

<b>\$1,600,000</b> Public Improvement 2009A bonds due on June 1 and December 1; interest at 3.0-4.5 percent	\$ -
<b>\$8,000,000</b> Library Bonds 2009B bonds due on June 1 and December 1; interest at 3.0-4.125 percent	-
<b>\$10,215,000</b> Refunding Bonds 2009C due on June 1 and December 1; interest at 3.0-4.0 percent*	450,000
<b>\$16,095,000</b> Refunding Bonds 2013 due on June 1 and December 1; interest at 2.5-4.0%	11,010,000
<b>\$5,485,000</b> Refunding Bonds 2015 due on May 1 and November 1; interest at 2.27%	3,863,000
<b>\$5,044,000</b> Refunding Bonds 2017 due on June 1 and December 1; interest at 2.39%	4,984,000
<b>\$34,665,000</b> Limited Obligation 2018 due on April 1 and October 1; interest at 3.75-5%	<u>34,665,000</u>
<b>Total</b>	<u>\$ 54,972,000</u>

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\*Granville County Schools holds title to some of the assets completed through these bond funds.

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2020	\$ 3,934,000	\$ 2,300,558
2021	5,361,000	2,117,075
2022	5,363,000	1,896,721
2023	5,255,000	1,678,370
2024	5,107,000	1,486,121
2025-2029	15,527,000	5,021,286
2030-2034	7,475,000	2,445,625
2035-2039	<u>6,950,000</u>	<u>729,750</u>
	<u>\$ 54,972,000</u>	<u>\$ 17,675,506</u>

At June 30, 2019, Granville County had a legal debt margin of \$280,820,610.

The Hospital's notes payable at September 30, 2018, are comprised of the following:

3.97 percent note, payable monthly, principal and interest of \$11,073 through March 2022; guaranteed by Granville County	\$ 430,231
4.09 percent note, monthly principal and interest of \$13,889, through January 2018; collateralized by real estate.	-
3.73 percent note, payable and interest payable semi-annually of \$79,324 through July 2027; collateralized by real estate	1,203,464
1.98 percent note, principal and interest payable annually of \$105,963 through June 2019; collateralized by equipment	103,906
4.22 percent note, principal payable annually of \$290,000 plus interest through May 2038; collateralized by building and guaranteed by County	5,800,000
4.00 percent note, principal and interest payable monthly of \$66,920 through December 2043; collateralized by real estate: guaranteed by Granville County	<u>12,923,830</u>
Total	<u>\$ 20,461,431</u>

The future principal and interest payments on long-term debt for years ending September 30, follows:

**GRANVILLE COUNTY, NORTH CAROLINA  
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Year Ending <u>September 30</u>	<u>Amount</u>
2019	\$ 917,919
2020	834,972
2021	856,768
2022	809,154
2023	764,986
Thereafter	<u>16,277,632</u>
Total	<u>\$ 20,461,431</u>

**f. Refunding & Advance Refundings**

On February 12, 2013, the County issued \$16,095,000 of general obligation current and advance refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of general resources for all future debt service payments of \$16,890,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The net carrying amount of the old debt exceeded the reacquisition price of the old debt by \$795,000. This amount is being netted against the new debt and amortized over the life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 10 years and resulted in an economic gain of \$1,526,661.

On July 29, 2015, the County issued \$5,485,000 of general obligation refunding bonds to provide resources to pay off 2006 school bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The net carrying amount of the old debt exceeded the reacquisition price of the old debt by \$157,552. This amount is being netted against the new debt and amortized over the life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 11 years and resulted in an economic gain of \$278,696.

On November 29, 2017, the County issued \$5,044,000 of general obligation refunding bonds to provide resources to pay off 2009 bonds. As a result, the refunded bonds are considered to be defeased and liability has been removed from the governmental activities column of the statement of net position. The net carrying amount of the old debt exceeded the reacquisition price of the old debt by \$244,000. This amount is being netted against the new debt and amortized over the life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 10 years and resulted in an economic gain of \$298,337.

On November 6, 2018, the County issued \$34,665,000 of limited obligation bonds. Of this total, \$8,270,000 was issued to provide resources to pay off 2007 and 2014 bonds. As a result, the refunded bonds are considered defeased and liability has been removed from the governmental activities column of the statement of net position. The net carrying amount of the old debt exceeded the reacquisition price of the old debt by \$728,231. This amount is being netted against the new debt and amortized over the life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 10 years and resulted in an economic gain of \$119,212.

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**g. Long-Term Obligation Activity**

The following is a summary of changes in the County's long-term obligations for the year ended June 30, 2019:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019	Current Portion of Balance
Governmental activities:					
General obligation bonds	\$ 23,426,000	\$ 34,665,000	\$ (3,119,000)	\$ 54,972,000	\$ 3,934,000
Plus: Premiums on issuance	<u>1,539,944</u>	<u>3,864,139</u>	<u>(392,142)</u>	<u>5,011,941</u>	<u>437,233</u>
Total General obligation bonds	24,965,944	38,529,139	(3,511,142)	59,983,941	4,361,233
Financing Agreements	3,201,290	-	(785,472)	2,415,818	795,290
Installment Purchases	44,995,132	-	(11,833,132)	33,162,000	1,873,569
Certificates of participation	12,565,000	-	(495,000)	12,070,000	495,000
Compensated absences	973,811	1,027,537	(973,811)	1,027,537	256,884
Net pension liability (LGRS)	2,693,954	1,430,890	-	4,124,844	-
Total OPEB Liability	17,659,341	-	(1,603,318)	16,056,023	-
Total pension liability (LEOSSA)	<u>1,669,988</u>	<u>-</u>	<u>(21,419)</u>	<u>1,648,569</u>	<u>-</u>
Total governmental activities	<u>\$ 108,724,460</u>	<u>\$ 40,987,566</u>	<u>\$ (19,223,294)</u>	<u>\$ 130,488,732</u>	<u>\$ 7,781,976</u>
Business-type activities:					
Accrued landfill closure and post closure costs	\$ 8,483,312	\$ 1,019,127	\$ -	\$ 9,502,439	\$ -
Compensated absences	24,883	25,327	24,883	25,327	6,332
Net pension liability (LGRS)	51,974	26,498	-	78,472	-
Total OPEB liability	<u>310,885</u>	<u>18,461</u>	<u>-</u>	<u>329,346</u>	<u>-</u>
Total business-type activities	<u>\$ 8,871,054</u>	<u>\$ 1,089,413</u>	<u>\$ 24,883</u>	<u>\$ 9,935,584</u>	<u>\$ 6,332</u>

Net pension liability, total pension liability, and total other postemployment liability for governmental activities are all typically liquidated in the General Fund. Compensated absences for governmental activities typically have been liquidated in the General Fund and accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned. Net pension liability and total other postemployment liability for business-type activities are generally liquidated by the Solid Waste Management Fund.

The following is a summary of changes in the Hospital's long-term obligations for the fiscal year ended September 30, 2018:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental activities:					
Installment Purchases	\$ 15,327,252	\$ 5,800,000	\$ (665,821)	\$ 20,461,431	\$ 917,919
Capital leases	413,197	-	(213,748)	199,449	169,464
Compensated absences	1,983,195	9,265	-	1,992,460	1,992,460
Net pension liability (LGRS)	<u>5,176,231</u>	<u>2,340,060</u>	<u>-</u>	<u>7,516,291</u>	<u>-</u>
Total governmental activities	<u>\$ 22,899,875</u>	<u>\$ 8,149,325</u>	<u>\$ (879,569)</u>	<u>\$ 30,169,631</u>	<u>\$ 3,079,843</u>

**C. Interfund Balances and Activity**

	Amount
<i>Transfers From/To Other Funds</i>	
Law Enforcement Center Fund to General Fund to provide reimbursement of prior transfers	\$ 1,036,713
General Fund to GAP Phase III Project Fund to supplement construction funding	500,000
General Fund to School Repair Projects Fund to supplement construction funding	7,000,000
General Fund to Hospital Capital Projects Fund to transfer proceeds from debt	<u>3,185,846</u>
Total	<u>\$ 11,722,559</u>

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Due From/To Other Funds

From General Fund to Granville County Tourism Development Authority to show occupancy tax owed for fiscal year and not yet transferred \$ 21,049

From Falls Meadow/Montgomery Place Project Fund to General Fund to fund street improvements that are to be reimbursed via assessments 229,287  
Total \$ 250,336

**D. Net Investment in Capital Assets**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net capital assets	\$ 56,526,803	\$ 5,090,595
Capital debt calculation:		
Total debt, gross	107,631,759	-
Less:		
School debt for assets to which the county does not hold title	(46,054,297)	-
Hospital debt for assets which the county does not hold title	(19,708,000)	-
Unamortized assets related to capital debt (excluding school related)	(165,410)	-
Add:		
Unamortized liabilities related to capital debt (excluding school related)	<u>2,896,165</u>	<u>-</u>
Total capital debt	<u>44,600,217</u>	<u>-</u>
Net investment in capital assets	<u>\$ 11,926,586</u>	<u>\$ 5,090,595</u>

**E. Fund Balance**

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

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

Total Fund Balance-General Fund	\$ 42,555,547
Less:	
Prepaid items	4,000
Stabilization by State Statute	4,712,758
Appropriated fund balance in 2020 budget	2,313,755
Education	2,852,550
Register of Deeds	53,193
Tax Revaluation	105,086
Public Safety	1,704,631
Human Services	4,695,571
Economic and Physical Development	1,070,000
Working Capital/Fund Balance Policy	18,326,031
Remaining Fund Balance	\$ 6,717,972



**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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The County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct business of the County in such a manner that available fund balance is at least equal to or greater than 30% of General Fund expenditures.

**IV. Joint Ventures**

**A. Vance-Granville Community College**

The County, in conjunction with Vance County, Warren County, Franklin County, the State of North Carolina, and the Boards of Education of Vance, Granville, Warren and Franklin Counties, participates in a joint venture to operate Vance-Granville Community College. Each participant appoints members of the thirteen-member board of trustees of the community college. No participant appoints a majority. The president of the community college's student government serves as an ex-officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$752,184 and \$28,740 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2019. 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, 2019. Complete financial statements for the community college may be obtained from the community college's administrative offices, at P.O. Box 918, Henderson, N.C. 27536.

**B. Granville-Vance Health District**

Granville County and Vance County participate in a multi-county health district joint venture. Granville County places one member on the Health District Board. Granville County has an ongoing financial responsibility to the Health District since it is legally required to provide health services either directly or jointly with other counties. The County does not retain an equity interest in the Health District. Complete financial statements for the Health District can be obtained at 115 Charles D. Rollins Road, Henderson, N.C. 27536.

**C. Area Mental Health**

Granville County participates with Alamance, Cabarrus, Caswell, Chatham, Davidson, Franklin, Halifax, Orange, Person, Rowan, Stanly, Union, Vance, and Warren counties in an Area Authority and Managed Care Organization operated by Cardinal Innovations Healthcare Solutions. Each participating government appoints representation on the Five-County Oversight Board and has representation on the Board of Directors of Cardinal Innovations. The County does not retain an equity interest in the program. Complete financial statements for Cardinal Innovations Health Care Solutions may be obtained from their administrative offices located at 4855 Milestone Avenue, Kannapolis, NC 28081.

**D. Kerr Area Transit Authority**

The County also participates in a joint venture to operate Kerr Area Transit Authority. The County appoints six members to the twenty-one-member board. None of the participating governments have any equity interest in the Authority, so no equity interest has been reflected in the financial statements at June 30, 2019. In accordance with the intergovernmental agreement between the participating

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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governments, the County appropriated \$43,397 to the Authority to supplement its activities. Complete financial statements for the Authority may be obtained at 943 West Andrews Avenue, Henderson, N.C. 27536.

**E. Aeronautics Authority of the City of Henderson, City of Oxford, County of Granville and County of Vance**

The County also participates in a joint venture to operate the Aeronautics Authority of the City of Henderson, City of Oxford, County of Granville and County of Vance. The County appoints one member to the four-member board. None of the participating governments have any equity interest in the Authority, so no equity interest has been reflected in the financial statements at June 30, 2019. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$28,750 to the Authority to supplement its activities. Complete financial statements for the Authority may be obtained from P.O. Box 368, Henderson, N.C. 27536.

**V. Joint Governed Organization**

The County, in conjunction with four other counties and fifteen municipalities, established Kerr-Tar Regional Council of Governments (Council) to coordinate various funding received from federal and State agencies. Each participating government appoints members to the Council's governing board. The County paid membership fees of \$21,520 to the Council during the fiscal year ended June 30, 2019. Complete financial statements for the Council may be obtained from the Council's administrative offices at 510 Dabney Drive, Henderson, N.C. 27536.

**VI. Summary Disclosure of Significant Commitments and Contingencies**

**Federal and State Assisted Programs**

The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statement for the refund of grant moneys.

**VII. Significant Effects of Subsequent Events**

The County has evaluated events and transactions that occurred between June 30, 2019 and December 20, 2019, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements. There were no events that occurred during this time that were deemed to be significant enough to be disclosed.

## **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

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

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- Schedule of County's Proportionate Share of the Net Pension Liability (Asset) for the Local Governmental Employees' Retirement System
- Schedule of County Contributions for the Local Governmental Employees' Retirement System
- Schedule of County's Proportionate Share of the Net Pension Liability (Asset) for the Register of Deeds' Supplemental Pension Fund
- Schedule of County Contributions for the Register of Deeds' Supplemental Pension Fund
- Schedule of Changes in Total Pension Liability for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Total Pension Liability as a Percentage of Covered Payroll for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Changes in the Total OPEB Liability and Related Ratios – Healthcare Benefits Plan

**GRANVILLE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
**LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM**  
**LAST SIX FISCAL YEARS**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
County's proportion of the net pension liability (asset)	0.177%	0.180%	0.181%	0.180%	0.182%	0.186%
County's proportionate share of the net pension liability (asset)	4,203,316	2,745,928	3,832,725	807,011	(1,070,625)	2,237,193
County's covered payroll	\$ 12,597,654	\$ 12,039,675	\$ 11,595,359	\$ 11,078,798	\$ 11,056,961	\$ 10,899,278
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	33.37%	22.81%	33.05%	7.28%	-9.68%	20.53%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	94.18%	91.47%	98.09%	102.64%	94.35%

\*The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

Information included above is intended to include ten years; however, only the years above have information available. Additional years will be included as information becomes available.

**GRANVILLE COUNTY, NORTH CAROLINA  
SCHEDULE OF COUNTY CONTRIBUTIONS  
LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM  
LAST SIX FISCAL YEARS**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 1,064,421	\$ 971,019	\$ 900,473	\$ 794,490	\$ 791,446	\$ 786,842
Contributions in relation to the contractually required contribution	1,064,421	971,019	900,473	794,490	791,446	786,842
Contribution deficiency (excess)	-	-	-	-	-	-
County's covered payroll	\$ 13,461,599	\$12,597,654	\$12,039,675	\$ 11,595,359	\$ 11,078,798	\$11,056,961
Contributions as a percentage of covered payroll	7.91%	7.71%	7.48%	6.85%	7.14%	7.12%

Information included above is intended to include ten years; however, only the years above have information available. Additional years will be included as information becomes available.

**GRANVILLE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
**REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND**  
**LAST SIX FISCAL YEARS**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
County's proportion of the net pension liability (asset)	0.472%	0.481%	0.439%	0.459%	0.457%	0.427%
County's proportionate share of the net pension liability (asset)	\$ (78,151)	\$ (82,034)	\$ (82,098)	\$ (106,274)	\$ (103,658)	\$ (91,205)
County's covered payroll	\$ 189,631	\$ 179,428	\$ 179,639	\$ 161,292	\$ 156,569	\$144,198
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-41.21%	-45.72%	-45.70%	-65.89%	-66.21%	-63.25%
Plan fiduciary net position as a percentage of the total pension liability	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

\*The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

Information included above is intended to include ten years; however, only the years above have information available. Additional years will be included as information becomes available.

**GRANVILLE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF COUNTY CONTRIBUTIONS**  
**REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND**  
**LAST SIX FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 3,823	\$ 4,038	\$ 4,228	\$ 3,928	\$ 3,670
Contributions in relation to the contractually required contribution	<u>3,823</u>	<u>4,038</u>	<u>4,228</u>	<u>3,928</u>	<u>3,670</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 200,867	\$ 189,631	\$ 179,428	\$ 179,639	\$ 161,292
Contributions as a percentage of covered payroll	1.90%	2.13%	2.36%	2.19%	2.28%

Information included above is intended to include ten years; however, only the years above have information available. Years will be included as information becomes available.

**GRANVILLE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY**  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning Balance	\$ 1,669,988	\$ 1,401,767	\$1,350,911
Service Cost	77,889	69,248	69,009
Interest on the total pension liability	52,109	53,451	47,690
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(41,507)	69,585	-
Changes of assumptions or other inputs	(67,976)	109,989	(35,732)
Benefit payments	(41,934)	(34,052)	(30,111)
Ending balance of the total pension liability	<u>\$ 1,648,569</u>	<u>\$ 1,669,988</u>	<u>\$1,401,767</u>

The amounts presented for each fiscal year were determined as of the prior fiscal year ending December 31.

Information included above is intended to include ten years; however, only the years above have information available. Additional years will be included as information



**GRANVILLE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL**  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 1,648,569	\$ 1,669,988	\$1,401,767
Covered payroll	2,587,136	2,602,357	2,539,432
Total pension liability as a percentage of covered payroll	63.72%	64.17%	55.20%

**Notes to the schedules:**

Granville County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

Information included above is intended to include ten years; however, only the years above have information available. Additional years will be included as information becomes available.

**GRANVILLE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**HEALTHCARE BENEFITS PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2019**

<b>Total OPEB Liability</b>	<b>2019</b>	<b>2018</b>
Service Cost	\$ 531,757	\$ 613,574
Interest on the total pension liability	634,212	571,146
Changes of benefit terms	-	-
Differences between expected and actual experience	(1,432,377)	(81,566)
Changes of assumptions or other inputs	(1,005,173)	(1,964,694)
Benefit payments	(313,276)	(284,256)
Net change in total OPEB liability	(1,584,857)	(1,145,796)
Total OPEB liability - beginning	17,970,226	19,116,022
Total OPEB liability - ending	<u>\$ 16,385,369</u>	<u>\$ 17,970,226</u>
 Covered payroll	 9,186,294	 9,248,413
Total OPEB liability as a percentage of covered payroll	178.37%	194.31%

Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Fiscal Year</u>	<u>Rate</u>
2019	3.89%
2018	3.56%

Information included above is intended to include ten years; however, only the years above have information available. Additional years will be included as information becomes available.

**COMBINING AND INDIVIDUAL FUND**  
**STATEMENTS AND SCHEDULES**

## MAJOR GOVERNMENTAL FUNDS

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- **General Fund:** This fund is used to account for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.
- **School Repair Project Fund.** This capital project fund accounts for the funding of repairs to be completed at various schools.
- **Law Enforcement Center Fund.** This capital project fund accounts for the construction of the law enforcement center.

**GRANVILLE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Ad Valorem Taxes:				
Current year	\$ 40,576,139	\$ 40,165,874	\$ (410,265)	\$ 39,752,454
Prior year	370,000	364,572	(5,428)	440,365
Penalties and interest	185,500	206,317	20,817	198,097
Total	41,131,639	40,736,763	(394,876)	40,390,916
Sales and Other Taxes:				
Article 39 one percent		2,007,553		1,922,116
Article 40 one-half of one percent		3,488,370		3,252,627
Article 42 one-half of one percent		1,827,351		1,729,964
Article 44 one-half of one percent		1,302,059		1,238,722
State excise tax - Register of Deeds		314,090		321,024
Beer and wine		164,585		162,180
Taxes on federal exempt land		24,296		23,769
Medicaid hold harmless		2,146,527		1,712,777
Occupancy taxes		252,497		251,948
Total	10,630,413	11,527,328	896,915	10,615,127
Licenses, Fees and Other Revenues:				
Privilege licenses		3,250		3,403
Taxes on Oxford Housing Authority		6,647		6,647
Planning		64,570		82,507
Inspection		737,575		529,271
Boarding state and federal prisoners		34,116		13,098
Ambulance fees		15,419		11,609
Library fees		37,984		40,000
Rents		23,000		22,800
Sheriff's fees		103,648		106,328
Election fees		47		61,287
Franchise fees		105,182		150,146
Animal control		36,640		35,047
Collection fees		130,298		129,399
Senior Center fitness fees		5,319		7,019
Administrative fees		-		15,000
Register of Deeds		224,870		228,978
GAP fees		29,800		30,435
Federal interest subsidy		405,191		411,623
Federal and State grants		46,986		3,633
E-911 allocation from Oxford		129,371		111,132
Miscellaneous		422,519		294,153
Sale of capital assets		46,599		33,387
Total	2,182,752	2,609,031	426,279	2,326,902

**GRANVILLE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Restricted and Intergovernmental				
Revenues:				
Debt Contribution from hospital		1,629,321		1,193,079
Court facility fees		54,566		51,858
CSC officer's fees		9,942		9,931
Register of Deeds		37,796		39,271
ABC bottle tax		15,499		14,821
Federal and State grants		6,949,796		6,210,292
Excise recreation - Heritage		290,099		296,329
Jail fees		24,716		21,823
Sheriff Federal treasury seized funds		70		175
Sheriff wage refund		300,627		-
Miscellaneous		95,870		142,859
Total	9,261,168	9,408,302	147,134	7,980,438
Investment earnings	403,000	962,748	559,748	479,504
Micellaneous Revenues				
Granville County ABC Board	165,000	115,165	(49,835)	88,681
Total	165,000	115,165	(49,835)	88,681
Total Revenues	63,773,972	65,359,337	1,585,365	61,881,568
<b>EXPENDITURES</b>				
<b>General Government</b>				
Board of Commissioners				
Salaries and employee benefits		153,157		153,236
Other operating expenditures		72,049		61,624
Capital outlay		1,809		317
Total	252,025	227,015	25,010	215,177
Administration				
Salaries and employee benefits		433,114		349,458
Other operating expenditures		36,997		42,449
Capital outlay		1,136		2,347
Total	473,142	471,247	1,895	394,254
Information Technology				
Salaries and employee benefits		216,220		201,853
Other operating expenditures		4,296		3,628
Capital outlay		6,085		5,846
Total	220,786	226,601	(5,815)	211,327

**GRANVILLE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Board of Elections				
Salaries and employee benefits		329,987		284,899
Other operating expenditures		141,498		177,398
Capital outlay		401		3,432
Total	581,136	471,886	109,250	465,729
Finance Department				
Salaries and employee benefits		315,989		293,335
Other operating expenditures		137,336		131,274
Capital outlay		-		110
Total	465,994	453,325	12,669	424,719
Tax Administration				
Salaries and employee benefits		475,693		453,535
Other operating expenditures		281,305		245,795
Capital outlay		226,429		4,640
Total	1,108,949	983,427	125,522	703,970
Register of Deeds				
Salaries and employee benefits		281,145		258,819
Other operating expenditures		32,255		88,254
Total	312,627	313,400	(773)	347,073
General Services/Court Facilities				
Salaries and employee benefits		199,292		214,695
Other operating expenditures		422,408		344,962
Capital outlay		5,714		228
Total	689,039	627,414	61,625	559,885
Human Resources				
Salaries and employee benefits		93,029		66,331
Other operating expenditures		32,431		29,590
Capital outlay		1,977		1,809
Total	183,975	127,437	56,538	97,730
Internal Auditor				
Salaries and employee benefits		85,013		80,096
Other operating expenditures		2,189		3,986
Capital outlay		1,790		-
Total	88,783	88,992	(209)	84,082
Total General Government	4,376,456	3,990,744	385,712	3,503,946
<u>Public Safety</u>				
Other Emergency Services	70,000	51,300	18,700	63,700

**GRANVILLE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Sheriff's Department/Detention Center				
Salaries and employee benefits		6,188,034		5,603,119
Other operating expenditures		1,439,162		1,571,683
Capital outlay		168,367		34,782
Total	8,081,299	7,795,563	285,736	7,209,584
Fire Service	1,031,322	1,029,112	2,210	980,265
Forestry				
Salaries and employee benefits		34,480		31,921
Other operating expenditures		74,218		71,834
Total	110,070	108,698	1,372	103,755
Emergency Management				
Salaries and employee benefits		310,138		256,013
Other operating expenditures		78,352		52,898
Capital outlay		2,724		2,651
Total	451,153	391,214	59,939	311,562
Emergency Services				
Salaries and employee benefits		1,730,101		1,521,015
Other operating expenditures		328,054		273,296
Capital outlay		41,779		36,901
Total	2,064,611	2,099,934	(35,323)	1,831,212
Total Public Safety	11,808,455	11,475,821	332,634	10,500,078
<u>Community Services</u>				
Cooperative Extension Service				
Salaries and employee benefits		318,554		316,320
Other operating expenditures		60,489		81,080
Total	452,743	379,043	73,700	397,400
County Library System				
Salaries and employee benefits		791,978		685,555
Other operating expenditures		335,380		316,749
Capital outlay		13,867		29,258
Total	1,169,577	1,141,225	28,352	1,031,562
Recreation & Community Service				
Other operating expenditures		188,478		170,804
Total	228,193	188,478	39,715	170,804



**GRANVILLE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Development Services				
Planning				
Salaries and employee benefits		336,399		289,549
Other operating expenditures		23,828		26,371
Capital outlay		4,399		1,661
Inspection Department				
Salaries and employee benefits		652,954		587,185
Other operating expenditures		50,005		24,211
Capital outlay		26,345		26,542
Construction Administration				
Other operating expenditures		313		7,367
Capital outlay		389,626		746,340
Total	1,891,972	1,483,869	408,103	1,709,226
Soil Conservation Program				
Salaries and employee benefits		3,341		-
Total	-	3,341	(3,341)	-
Jonesland Park Operations				
Salaries and employee benefits		252,760		238,874
Other operating expenditures		150,428		140,296
Capital outlay		32,003		25,508
Total	452,283	435,191	17,092	404,678
Economic Development				
Salaries and employee benefits		154,059		141,467
Other operating expenditures		374,550		96,437
Capital outlay		747		-
Total	256,086	529,356	(273,270)	237,904
Tourism				
Salaries and employee benefits	66,815	68,925	(2,110)	62,986
Total Community Services	4,517,669	4,229,428	288,241	4,014,560
<u>Human Services</u>				
Health and Medical Services				
Granville Medical Center		1,048,096		957,368
Granville-Vance District Health Dept.		655,325		655,346
Area Mental Health		140,345		139,667
Total	1,894,014	1,843,766	50,248	1,752,381
Social Services				
Salaries and employee benefits		4,966,952		4,480,124
Other operating expenditures		1,749,968		1,779,408
Capital outlay		80,920		77,256
Total	8,895,708	6,797,840	2,097,868	6,336,788

**GRANVILLE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	2019		Variance Positive (Negative)	2018
	Budget	Actual		Actual
Veterans Services				
Salaries and employee benefits		50,844		53,816
Other operating expenditures		2,970		2,210
Capital outlay		1,611		-
Total	70,603	55,425	15,178	56,026
Senior Services-Nutrition/In-Home Aid				
Salaries and employee benefits		686,456		630,977
Other operating expenditures		553,622		552,343
Capital outlay		27,252		-
Total	1,386,528	1,267,330	119,198	1,183,320
Total Human Services	12,246,853	9,964,361	2,282,492	9,328,515
<u>Education</u>				
Granville County School System				
Current Expense	15,383,442	15,383,442	-	14,004,385
Capital	1,458,800	1,458,800	-	1,340,000
Total	16,842,242	16,842,242	-	15,344,385
Vance-Granville Community College				
Operating expenditures		752,184		752,184
Capital Outlay		28,740		28,740
Total	780,924	780,924	-	780,924
Total Education	17,623,166	17,623,166	-	16,125,309
<u>Non-Departmental &amp; Special Areas</u>				
Special Projects	351,908	338,242	13,666	280,918
Pass Thru Funds	526,868	557,846	(30,978)	650,950
Non-Departmental	2,249,819	2,139,848	109,971	2,340,012
South Granville Memorial Gardens	-	-	-	9,500
Granville County Tourism Development Authority	250,000	252,370	(2,370)	251,886
Total Non-Departmental & Special Areas	3,378,595	3,288,306	90,289	3,533,266
<u>Debt Service</u>				
Hospital Financing				
Principal		807,901		595,236
Interest		821,420		597,843
Total	1,629,321	1,629,321	-	1,193,079
Park Financing				
Principal		26,353		26,936
Interest		5,342		5,932
Total	31,052	31,695	(643)	32,868

**GRANVILLE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Water & Sewer Allocation-Triangle North				
Principal		1,424,472		1,414,775
Interest		174,870		198,792
Total	1,599,342	1,599,342	-	1,613,567
Schools Debt Service				
Principal		4,337,815		4,162,881
Interest		1,856,289		1,709,488
	6,712,022	6,194,104	517,918	5,872,369
Library Series 2009				
Principal		440,832		409,167
Interest		113,237		211,162
Total	577,524	554,069	23,455	620,329
Law Enforcement Center Debt				
Interest		471,488		-
Total	471,488	471,488	-	-
Animal Control Debt				
Interest		34,925		-
Total	34,925	34,925	-	-
Total Debt Service	11,055,674	10,514,944	540,730	9,332,212
Total Expenditures	65,006,868	61,086,770	3,920,098	56,337,886
Revenues Over (Under) Expenditures	(1,232,896)	4,272,567	5,505,463	5,543,682
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers-in:				
Law Enforcement Center Fund		1,036,713	1,036,713	-
Transfers-out:				
Emergency Telephone System Fund		-		(29,996)
GAP Phase III Project Fund		(500,000)		-
School Repair Projects Fund		(7,000,000)		-
Hospital Capital Projects Fund		(3,185,846)		-
Law Enforcement Center Fund		-		(6,800,000)
Solid Waste Management Fund		-		(1,000,000)
Health Plan		-		(100,000)
Total transfers-out	(42,285,909)	(10,685,846)	31,600,063	(7,929,996)
Debt proceeds	26,395,000	-	(26,395,000)	5,800,000
Refunding bond proceeds	8,270,000	8,270,000	-	5,044,000
Refunding bond premium	3,864,139	887,730	(2,976,409)	-
Payment to refunded bond escrow agent	(9,256,526)	(9,243,722)	12,804	(4,968,193)
Fund balance appropriated	14,246,192	-	(14,246,192)	-
Total Other Financial Sources (Uses)	1,232,896	(9,735,125)	(10,968,021)	(2,054,189)
Excess of Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	\$ -	(5,462,558)	\$ (5,462,558)	3,489,493
Fund Balance-July 1		48,018,105		44,528,612
Fund Balance-June 30		\$ 42,555,547		\$ 48,018,105

**GRANVILLE COUNTY, NORTH CAROLINA  
SCHOOL REPAIR PROJECT FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Restricted intergovernmental revenues					
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous					
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	-	-	-	-	-
<b><u>EXPENDITURES</u></b>					
Capital Outlay					
HVAC repair		1,333,568	3,970,207	5,303,775	
Roofing repair		-	387,148	387,148	
Legal and financing fees		82,559	-	82,559	
Total Expenditures	15,105,000	1,416,127	4,357,355	5,773,482	9,331,518
Revenues Over (Under) Expenditures	(15,105,000)	(1,416,127)	(4,357,355)	(5,773,482)	9,331,518
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers-in (out)					
General Fund	7,000,000	-	7,000,000	7,000,000	-
Debt proceeds	8,105,000	8,105,000	-	8,105,000	-
Total	15,105,000	8,105,000	7,000,000	15,105,000	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 6,688,873	2,642,645	\$ 9,331,518	\$ 9,331,518
Fund Balances:					
Beginning of year - July 1			6,688,873		
End of year - June 30			\$ 9,331,518		

**GRANVILLE COUNTY, NORTH CAROLINA  
LAW ENFORCEMENT CENTER FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Miscellaneous					
Donations	\$ 521,806	\$ 770	\$ -	\$ 770	\$ 521,036
Investment earnings	-	-	449,328	449,328	(449,328)
Total Revenues	521,806	770	449,328	450,098	71,708
<b><u>EXPENDITURES</u></b>					
Capital Outlay					
Land		694,255	40	694,295	
Design fee		1,045,147	674,368	1,719,515	
Financing and legal		21,750	422,948	444,698	
Total Expenditures	35,285,093	1,761,152	11,181,065	12,942,217	22,342,876
Revenues Over (Under) Expenditures	(34,763,287)	(1,760,382)	(10,731,737)	(12,492,119)	22,271,168
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers-in (out)					
General Fund	5,763,287	6,800,000	(1,036,713)	5,763,287	-
Debt proceeds	29,000,000	-	26,395,000	26,395,000	(2,605,000)
Debt premium	-	-	2,976,409	2,976,409	2,976,409
Total	34,763,287	6,800,000	28,334,696	35,134,696	371,409
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 5,039,618	17,602,959	\$ 22,642,577	\$ 22,642,577
Fund Balances:					
Beginning of year - July 1			5,039,618		
End of year - June 30			\$ 22,642,577		

# NONMAJOR GOVERNMENTAL FUNDS

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## **Special Revenue Funds**

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specific purposes.

- **Emergency Telephone System Fund:** This fund is used to account for the 911 revenues collected by the telephone industry to fund the emergency 911 system.
- **R. H. Thornton Library Memorial Fund:** This fund is used to account for the receipts and disbursements made on behalf of the R. H. Thornton Library.

## **Capital Project Fund**

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities and equipment.

- **Granville Greenway Project Fund:** This fund is used to account for the funds associated with the Granville Greenway Project.
- **Falls Meadow/Montgomery Place Project Fund:** This fund is used to account for subdivision projects.
- **Hospital Capital Projects Fund:** This fund is used to account for construction at the hospital.
- **GAP Phase III Project Fund:** This fund is used to account for construction of recreation facilities at the GAP.

**GRANVILLE COUNTY, NORTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2019**

	Special Revenue Funds		Capital Projects Fund				
	Emergency Telephone System Fund	R. H. Thornton Library Memorial Fund	Granville Greenway Project Fund	Falls Meadow Montgomery Place Project Fund	Hospital Capital Projects Fund	GAP Phase III Project Fund	June 30, 2019
<b><u>ASSETS</u></b>							
Current Assets:							
Cash and cash equivalents	\$ 400,533	\$ 208,242	\$ 97,263	\$ 51,009	\$ -	\$ 427,730	\$ 1,184,777
Restricted cash	-	-	-	-	-	-	-
Accounts receivable	30,848	-	-	-	-	-	30,848
Prepaid items	-	-	-	-	-	-	-
Total Assets	<u>\$ 431,381</u>	<u>\$ 208,242</u>	<u>\$ 97,263</u>	<u>\$ 51,009</u>	<u>\$ -</u>	<u>\$ 427,730</u>	<u>\$ 1,215,625</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 418	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 418
Due to other funds	-	-	-	229,287	-	-	229,287
Total Liabilities	<u>418</u>	<u>-</u>	<u>-</u>	<u>229,287</u>	<u>-</u>	<u>-</u>	<u>229,705</u>
Fund Balances:							
Restricted:							
Stabilization by State Statute	30,848	-	-	-	-	-	30,848
Community Services	-	208,242	97,263	-	-	427,730	733,235
Public Safety	400,115	-	-	-	-	-	400,115
Unassigned:	-	-	-	(178,278)	-	-	(178,278)
Total Fund Balances	<u>430,963</u>	<u>208,242</u>	<u>97,263</u>	<u>(178,278)</u>	<u>-</u>	<u>427,730</u>	<u>985,920</u>
Total Liabilities and Fund Balances	<u>\$ 431,381</u>	<u>\$ 208,242</u>	<u>\$ 97,263</u>	<u>\$ 51,009</u>	<u>\$ -</u>	<u>\$ 427,730</u>	<u>\$ 1,215,625</u>

**GRANVILLE COUNTY, NORTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds		Capital Projects Fund				
	Emergency Telephone System Fund	R. H. Thornton Library Memorial Fund	Granville Greenway Project Fund	Falls Meadow Montgomery Place Project Fund	Hospital Capital Projects Fund	GAP Phase III Project Fund	June 30, 2019
<b>REVENUES</b>							
Restricted intergovernmental revenues	\$ 370,175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 370,175
Unrestricted intergovernmental revenues	-	-	-	-	-	-	-
Sales and other taxes	-	-	-	-	-	-	-
Licenses, fees, and other revenues	-	-	-	157,330	-	-	157,330
Investment earnings	3,210	5,231	-	-	-	-	8,441
Miscellaneous	-	6,734	-	-	-	-	6,734
Total Revenues	<u>373,385</u>	<u>11,965</u>	<u>-</u>	<u>157,330</u>	<u>-</u>	<u>-</u>	<u>542,680</u>
<b>EXPENDITURES</b>							
Public safety	326,789	-	-	-	-	-	326,789
Community services	-	23,753	-	-	-	-	23,753
Capital outlay	-	-	-	106,321	3,185,846	72,270	3,364,437
Debt service	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total Expenditures	<u>326,789</u>	<u>23,753</u>	<u>-</u>	<u>106,321</u>	<u>3,185,846</u>	<u>72,270</u>	<u>3,714,979</u>
Revenues Over (under) Expenditures	<u>46,596</u>	<u>(11,788)</u>	<u>-</u>	<u>51,009</u>	<u>(3,185,846)</u>	<u>(72,270)</u>	<u>(3,172,299)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	3,185,846	500,000	3,685,846
General Fund	-	-	-	-	3,185,846	500,000	3,685,846
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,185,846</u>	<u>500,000</u>	<u>3,685,846</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,185,846</u>	<u>500,000</u>	<u>3,685,846</u>
Net Change in Fund Balances	46,596	(11,788)	-	51,009	-	427,730	513,547
Fund Balance - July 1	<u>384,367</u>	<u>220,030</u>	<u>97,263</u>	<u>(229,287)</u>	<u>-</u>	<u>-</u>	<u>472,373</u>
Fund Balance - June 30	<u>\$ 430,963</u>	<u>\$ 208,242</u>	<u>\$ 97,263</u>	<u>\$ (178,278)</u>	<u>\$ -</u>	<u>\$ 427,730</u>	<u>\$ 985,920</u>



**GRANVILLE COUNTY, NORTH CAROLINA  
EMERGENCY TELEPHONE SYSTEM FUND  
SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018**

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Restricted intergovernmental revenues				
State Cell Surcharge	\$ 370,175	\$ 370,175	\$ -	\$ 388,482
Federal and state grants	-	-	-	-
Investment earnings	-	3,210	3,210	1,766
Total Revenues	<u>370,175</u>	<u>373,385</u>	<u>3,210</u>	<u>390,248</u>
<b><u>EXPENDITURES</u></b>				
Public safety:				
Telephone		141,088		117,483
Other operating expenditures		178,636		208,650
Capital outlay		7,065		4,721
Debt service:				
Principal		-		45,765
Interest		-		851
Total Expenditures	<u>370,175</u>	<u>326,789</u>	<u>43,386</u>	<u>377,470</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>46,596</u>	<u>46,596</u>	<u>12,778</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer (to) from other funds				
General Fund	-	-	-	29,996
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,996</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>46,596</u>	<u>\$ 46,596</u>	<u>42,774</u>
Fund Balance - July 1		<u>384,367</u>		<u>341,593</u>
Fund Balance - June 30		<u>\$ 430,963</u>		<u>\$ 384,367</u>
<b><u>Explanation for transfers</u></b>				
Transfer from the General Fund to adjust beginning balance to actual		<u>\$ -</u>		<u>\$ 29,996</u>
<b><u>Emergency Telephone System Unspent Balance</u></b>				
Amounts reported above are different from the PSAP Revenue-Expenditure Report because:				
Net Change in Fund Balance, reported on Budget to Actual		\$ 46,596		\$ 42,774
Plus: Transfers to General Fund to adjust fund balance to the proper beginning balance		-		(29,996)
Net Change per PSAP Revenue-Expenditure Report		46,596		12,778
Beginning Balance, PSAP Revenue-Expenditure Report		384,367		371,589
Ending Balance, PSAP Revenue-Expenditure Report		<u>\$ 430,963</u>		<u>\$ 384,367</u>

**GRANVILLE COUNTY, NORTH CAROLINA  
R. H. THORNTON LIBRARY FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018**

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Donations	\$ 20,000	\$ 6,734	\$ (13,266)	\$ 22,637
Investment Earnings	-	5,231	5,231	3,319
Total Revenues	20,000	11,965	(8,035)	25,956
<b><u>EXPENDITURES</u></b>				
Projects	24,000	23,753	247	11,190
Total Expenditures	24,000	23,753	247	11,190
Revenues over (under) expenditures	(4,000)	(11,788)	(7,788)	14,766
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer-in(out) General Fund	-	-	-	-
Total other financing sources (uses)	4,000	-	(4,000)	-
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>(11,788)</u>	<u>\$ (11,788)</u>	14,766
<b>FUND BALANCE</b>				
Beginning of year - July 1		220,030		205,264
End of year - June 30		<u>\$ 208,242</u>		<u>\$ 220,030</u>

**GRANVILLE COUNTY, NORTH CAROLINA  
GRANVILLE GREENWAY PROJECT FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Restricted intergovernmental revenues					
Federal and state grants	\$ 1,477,096	\$ 550,638	\$ -	\$ 550,638	\$ (926,458)
Miscellaneous					
Donations	9,150	9,150	-	9,150	-
Other	203,280	69,704	-	69,704	133,576
Total Revenues	<u>1,689,526</u>	<u>629,492</u>	<u>-</u>	<u>629,492</u>	<u>(792,882)</u>
<b><u>EXPENDITURES</u></b>					
Professional Services		223,553	-	223,553	
Supplies and Materials		406	-	406	
Greenway Construction		481,843	-	481,843	
Total Expenditures	<u>1,939,521</u>	<u>705,802</u>	<u>-</u>	<u>705,802</u>	<u>1,233,719</u>
Revenues Over (Under) Expenditures	<u>(249,995)</u>	<u>(76,310)</u>	<u>-</u>	<u>(76,310)</u>	<u>173,685</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers-in (out)					
General Fund	249,995	173,573	-	173,573	(76,422)
Total	<u>249,995</u>	<u>173,573</u>	<u>-</u>	<u>173,573</u>	<u>(76,422)</u>
Excess of Revenues and Other Sources					
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 97,263</u>	<u>-</u>	<u>\$ 97,263</u>	<u>\$ 97,263</u>
Fund Balances:					
Beginning of year - July 1			<u>97,263</u>		
End of year - June 30			<u>\$ 97,263</u>		

**GRANVILLE COUNTY, NORTH CAROLINA  
FALLS MEADOW\MONTGOMERY PLACE PROJECT FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Licenses, fees and other revenues					
Assessment revenue	\$ 380,070	\$ -	\$ 157,330	\$ 157,330	\$ (222,740)
Total Revenues	<u>380,070</u>	<u>-</u>	<u>157,330</u>	<u>157,330</u>	<u>(222,740)</u>
<b><u>EXPENDITURES</u></b>					
Montgomery Place		138,788	-	138,788	
Falls Meadow		90,499	-	90,499	
Fieldstone West		-	106,321	106,321	
Total Expenditures	<u>380,070</u>	<u>229,287</u>	<u>106,321</u>	<u>335,608</u>	<u>44,462</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (229,287)</u>	51,009	<u>\$ (178,278)</u>	<u>\$ (178,278)</u>
Fund Balances:					
Beginning of year - July 1			<u>(229,287)</u>		
End of year - June 30			<u>\$ (178,278)</u>		

**GRANVILLE COUNTY, NORTH CAROLINA  
HOSPITAL CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Restricted intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-
<b><u>EXPENDITURES</u></b>					
Capital outlay					
Doctors office building	5,800,000	-	3,185,846	3,185,846	
Total Expenditures	5,800,000	-	3,185,846	3,185,846	2,614,154
Revenues Over (Under) Expenditures	(5,800,000)	-	(3,185,846)	(3,185,846)	2,614,154
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers-in (out)					
General Fund	5,800,000	-	3,185,846	3,185,846	(2,614,154)
Total	5,800,000	-	3,185,846	3,185,846	(2,614,154)
Excess of Revenues and Other Sources					
Over (Under) Expenditures and Other Uses	\$ -	\$ -	-	\$ -	\$ -
Fund Balances:					
Beginning of year - July 1			-		
End of year - June 30			\$ -		

**GRANVILLE COUNTY, NORTH CAROLINA  
GAP PHASE III PROJECT FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Restricted intergovernmental revenues					
USTA Grant	\$ 20,000	\$ -	\$ -	\$ -	\$ (20,000)
Land & Water Conservation Fund Grant	250,000	-	-	-	(250,000)
PARTF Grant	300,000	-	-	-	(300,000)
Total Revenues	570,000	-	-	-	(570,000)
<b><u>EXPENDITURES</u></b>					
Capital outlay					
GAP Phase III	1,070,000	-	72,270	72,270	997,730
Total Expenditures	1,070,000	-	72,270	72,270	997,730
Revenues Over (Under) Expenditures	(500,000)	-	(72,270)	(72,270)	427,730
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers-in (out)					
General Fund	500,000	-	500,000	500,000	-
Total	500,000	-	500,000	500,000	-
Excess of Revenues and Other Sources					
Over (Under) Expenditures and Other Uses	\$ -	\$ -	427,730	\$ 427,730	\$ 427,730
<b>Fund Balances:</b>					
Beginning of year - July 1			-		
End of year - June 30			\$ 427,730		

## ENTERPRISE FUND

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Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the government's council is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; where the government's council has decided that the periodic determination of net income is appropriate for accountability purposes.

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- **Solid Waste Management Fund:** This fund is used to account for the operations of the County's solid waste activities.
- **Stormwater Fund:** This fund is used to account for the operations of the County's stormwater activities.

**GRANVILLE COUNTY, NORTH CAROLINA**  
**SOLID WASTE MANAGEMENT**  
**SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018**

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Restricted intergovernmental				
Grant funds	\$ -	\$ -	\$ -	\$ 500
Operating revenues				
Landfill user fees	1,400,000	1,731,760	331,760	1,768,943
Solid waste charges	1,135,000	1,186,990	51,990	1,185,683
Other operating revenues				
White goods		76,294		134,617
Scrap tire disposal tax		83,774		79,382
Solid waste disposal tax		35,378		31,020
Compost/Mulch sales		4,630		3,580
Miscellaneous		124,806		127,666
Total	182,964	324,882	141,918	376,265
Total Operating Revenues	2,717,964	3,243,632	525,668	3,331,391
Nonoperating Revenues				
Interest earned on investments	3,000	21,387	18,387	16,085
Total Revenues	2,720,964	3,265,019	544,055	3,347,476
<b>EXPENDITURES</b>				
Solid Waste Operations				
Printing		1,440		200
Supplies and materials		870		789
Manned sites		479,848		502,914
Oil and Anti-Freeze Disposal		4,302		5,525
Freon Removal		3,264		2,436
Waste disposal		419,771		508,739
Container transportation		297,155		209,716
Maintenance and grounds		6,197		7,849
Miscellaneous		7,008		7,680
Total	1,296,550	1,298,591	(2,041)	1,303,735
Site remodeling and construction	26,000	12,616	13,384	325
Total Solid Waste Operations	1,322,550	1,311,207	11,343	1,304,060



**GRANVILLE COUNTY, NORTH CAROLINA**  
**SOLID WASTE MANAGEMENT**  
**SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018**

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Landfill Operations				
Salaries and employee benefits		288,804		267,262
Administrative fee		-		15,000
Professional services		122,748		102,091
Gas, oil, tires		5,053		5,607
Supplies and materials		6,553		4,146
Brush grinding		39,114		20,900
Travel		1,093		614
Telephone and postage		3,811		3,823
Utilities		7,767		6,688
Maintenance and grounds		14,348		15,839
Advertising		171		381
Tire disposal		91,369		77,993
Registration and training		1,008		1,320
Contract services		679,611		692,407
Noncapitalized equipment		27,028		22,125
Miscellaneous		148,965		174,860
Total Landfill Operations	1,592,499	1,437,443	155,056	1,411,056
Convenience sites				
Professional services	150,120	-	150,120	10,273
Budgetary Appropriations				
Capital outlay - landfill	145,765	79,658	66,107	-
Capital outlay - landfill closure costs	761,415	863,160	(101,745)	70,044
Total	907,180	942,818	(35,638)	70,044
Total Expenditures	3,972,349	3,691,468	130,761	2,795,433
Revenues Over (Under) Expenditures	(1,251,385)	(426,449)	824,936	552,043
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers-in/out				
General Fund	3,491	-	(3,491)	1,000,000
Fund Balance Appropriated				
Landfill	1,067,844	-	(1,067,844)	-
Solid Waste	180,050	-	(180,050)	-
Total Other Financing Sources (Uses)	1,251,385	-	(1,251,385)	1,000,000
Revenues Over (Under) Sources and Other Uses	\$ -	\$ (426,449)	\$ (426,449)	\$ 1,552,043

**GRANVILLE COUNTY, NORTH CAROLINA**  
**SOLID WASTE MANAGEMENT**  
**SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018**

	2019		2018
	Budget	Actual	Variance Positive (Negative) Actual
<b>RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL</b>			
Excess of revenues over (under) expenditures	\$	(426,449)	\$ 1,552,043
Depreciation		(133,451)	(135,227)
Capital outlay		79,658	-
Increase (decrease) in deferred outflows of resources		17,494	(14,511)
(Increase) decrease in net pension liability		(20,839)	17,778
(Increase) decrease in deferred inflows of resources		(21,196)	(23,215)
(Increase) decrease in accrued landfill closure and postclosure care costs		(1,019,127)	(93,520)
(Increase) decrease in other postemployment benefits		31,702	11,889
(Increase) decrease in accrued vacation payable		(444)	(344)
Net Income (loss)		<u>\$ (1,492,652)</u>	<u>\$ 1,314,893</u>

**GRANVILLE COUNTY, NORTH CAROLINA**  
**STORMWATER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018**

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Restricted intergovernmental revenue				
Federal grant	\$ 25,500	\$ 33,263	\$ 7,763	\$ 25,500
Operating revenues				
Stormwater fees	250,000	261,479	11,479	256,860
Other operating revenues				
Contributions	81,412	79,798	(1,614)	93,627
Total Revenues	356,912	374,540	17,628	375,987
<b><u>EXPENDITURES</u></b>				
Stormwater Operations				
Salaries and employee benefits		88,301		86,926
Professional Services		102,758		134,236
Supplies and materials		960		320
Postage		25		4
Dues and subscriptions		75,169		67,220
Advertising		1,379		1,147
Waste disposal		2,398		1,023
Contracted services		56,335		28,865
Maintenance		732		1,830
Administration		250,000		-
Miscellaneous		4,165		5,177
Total	663,394	582,222	81,172	326,748
Revenues Over (Under) Expenditures	(306,482)	(207,682)	98,800	49,239
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Fund Balance Appropriated	306,482	-	306,482	-
Revenues Over (Under) Sources and Other Uses	\$ -	\$ (207,682)	\$ (207,682)	\$ 49,239
<b>RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL</b>				
Excess of revenues over (under) expenditures		\$ (207,682)		\$ 49,239
Increase (decrease) in deferred outflows of resources		5,823		(4,001)
(Increase) decrease in net pension liability		(5,659)		4,766
(Increase) decrease in deferred inflows of resources		(17,759)		(5,869)
(Increase) decrease in other postemployment benefits		(50,163)		3,015
Net Income (loss)		<u>\$ (275,440)</u>		<u>\$ 47,150</u>

## INTERNAL SERVICE FUND

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

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

**GRANVILLE COUNTY, NORTH CAROLINA**  
**COUNTY HEALTH PLAN FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018**

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Contributions from employees	\$ 2,772,000	\$ 2,820,604	\$ 48,604	\$ 2,684,254
Insurance settlements	-	-	-	-
Total revenues	<u>2,772,000</u>	<u>2,820,604</u>	<u>48,604</u>	<u>2,684,254</u>
<b>Expenditures</b>				
Health insurance administration	642,400	613,183	29,217	451,961
Claims	2,928,100	2,947,063	(18,963)	2,196,246
Total expenditures	<u>3,570,500</u>	<u>3,560,246</u>	<u>10,254</u>	<u>2,648,207</u>
<b>Revenues over (under) expenditures</b>	(798,500)	(739,642)	58,858	36,047
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from General Fund	-	-	-	100,000
Appropriated fund balance	798,500	-	(798,500)	-
Total	<u>798,500</u>	<u>-</u>	<u>(798,500)</u>	<u>100,000</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>(739,642)</u>	<u>\$ (739,642)</u>	136,047
<b>Fund balances</b>				
Beginning of year, July 1		<u>1,151,128</u>		<u>1,015,081</u>
End of year, June 30		<u>\$ 411,486</u>		<u>\$ 1,151,128</u>
Reconciliation from financial plan basis (modified accrual) to full accrual:				
Total revenues		\$ 2,820,604		\$ 2,784,254
Total expenditures		<u>3,560,246</u>		<u>2,648,207</u>
Change in net position		<u>\$ (739,642)</u>		<u>\$ 136,047</u>

## AGENCY FUNDS

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Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments and/or other funds.

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- **Social Services Fund:** This agency fund is used to account for the receipts and disbursements made by the County on behalf of individuals for whom the County serves as or is, in fact, their legal guardian or custodian.
- **Granville County Tourism Development Authority Fund:** This agency fund is used to account for the expenditures of occupancy tax received from the County.
- **Inmate Trust Fund:** This agency fund is used to account for receipts and disbursements made by the County on behalf of inmates.
- **Sheriff's Evidence, Execution and Special Account Fund:** This agency fund is used to account for receipts and disbursements made by the County involving sheriff's funds.

**GRANVILLE COUNTY, NORTH CAROLINA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2019**

	Agency Funds				Total Agency Funds
	Social Services Fund	Granville County Tourism Development Authority	Inmate Trust Fund	Sheriff's Evidence, Execution and Special Fund	
<b>ASSETS</b>					
Cash and investments	\$ 83,828	\$ -	\$ 7,318	\$ 206,600	\$ 297,746
Due from other fund	-	21,049	-	-	21,049
Total Assets	<u>\$ 83,828</u>	<u>\$ 21,049</u>	<u>\$ 7,318</u>	<u>\$ 206,600</u>	<u>\$ 318,795</u>
<b>LIABILITIES AND NET POSITION</b>					
Liabilities:					
Miscellaneous liabilities	\$ 83,828	\$ -	\$ 7,318	\$ 206,600	\$ 297,746
Due to component unit	-	21,049	-	-	21,049
Total Liabilities	<u>83,828</u>	<u>21,049</u>	<u>7,318</u>	<u>206,600</u>	<u>318,795</u>
Total Liabilities and Net Position	<u>\$ 83,828</u>	<u>\$ 21,049</u>	<u>\$ 7,318</u>	<u>\$ 206,600</u>	<u>\$ 318,795</u>

**GRANVILLE COUNTY, NORTH CAROLINA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<u>Social Services</u>				
Assets				
Cash and cash equivalents	\$ 81,823	\$ 244,017	\$ 242,012	\$ 83,828
Liabilities				
Miscellaneous liabilities	\$ 81,823	\$ 244,017	\$ 242,012	\$ 83,828
<u>Granville County Tourism Development Authority</u>				
Assets				
Due from other fund	\$ 27,950	\$ 21,049	\$ 27,950	\$ 21,049
Liabilities				
Due to component unit	\$ 27,950	\$ 21,049	\$ 27,950	\$ 21,049
<u>Inmate Trust Fund</u>				
Assets				
Cash and cash equivalents	\$ 3,931	\$ 164,507	\$ 161,120	\$ 7,318
Liabilities				
Miscellaneous liabilities	\$ 3,931	\$ 164,507	\$ 161,120	\$ 7,318
<u>Sheriff's Evidence, Execution and Special Account Fund</u>				
Assets				
Cash and cash equivalents	\$ 222,436	\$ 181,639	\$ 197,475	\$ 206,600
Liabilities				
Miscellaneous liabilities	\$ 222,436	\$ 181,639	\$ 197,475	\$ 206,600
<u>Total - All Agency Funds</u>				
Assets				
Cash and cash equivalents	\$ 308,190	\$ 590,163	\$ 600,607	\$ 297,746
Due from other fund	27,950	21,049	27,950	21,049
Total	\$ 336,140	\$ 611,212	\$ 628,557	\$ 318,795
Liabilities				
Miscellaneous liabilities	\$ 308,190	\$ 590,163	\$ 600,607	\$ 297,746
Due to component unit	27,950	21,049	27,950	21,049
Total	\$ 336,140	\$ 611,212	\$ 628,557	\$ 318,795



## **OTHER SCHEDULES**

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This schedule contains additional information required on property taxes.

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- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

**GRANVILLE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**GENERAL FUND**  
**JUNE 30, 2019**

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2018</u>	<u>Additions</u>	<u>Collections and Adjustments</u>	<u>Uncollected Balance June 30, 2019</u>
2019		\$ 39,737,488	\$ (39,062,778)	\$ 674,710
2018	\$ 431,692	-	(267,142)	164,550
2017	145,528	-	(62,319)	83,209
2016	60,841	-	(20,377)	40,464
2015	57,714	-	(11,110)	46,604
2014	45,094	-	(8,513)	36,581
2013	42,371	-	(5,783)	36,588
2012	31,308	-	(1,139)	30,169
2011	31,587	-	(661)	30,926
2010	92,224	-	(344)	91,880
2009	30,919		(30,919)	-
	<u>969,278</u>	<u>\$ 39,737,488</u>	<u>\$ (39,471,085)</u>	<u>\$ 1,235,681</u>
				<u>(150,000)</u>
				<u>\$ 1,085,681</u>
<hr/>				
Reconcilement with revenues:				
Taxes-ad valorem-General Fund			\$ 40,736,763	
Interest and Discounts			<u>(1,296,261)</u>	
				39,440,502
Amounts written off for tax year 2008 - 2009 per statute of limitations				<u>30,583</u>
Total Collections and Credits				<u>\$ 39,471,085</u>

**GRANVILLE COUNTY, NORTH CAROLINA**  
**ANALYSIS OF CURRENT TAX LEVY**  
**COUNTY-WIDE LEVY**  
**JUNE 30, 2019**

	County-wide			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Total Levy		
Original levy:					
Property taxed at current year's rate	\$ 4,195,616,988	0.840	\$ 35,243,183	\$ 35,243,183	\$ -
Motor vehicles at current year's rate	533,757,619	0.840	4,483,564	-	4,483,564
Discoveries:					
Current and prior year's taxes	186,059,524	0.840	1,562,900	1,562,900	-
Abatements	(59,779,524)	0.840	(502,148)	(502,148)	-
Total Property Valuation	<u>\$ 4,855,654,607</u>				
Net Levy			40,787,499	36,303,935	4,483,564
Uncollected taxes at June 30, 2019			674,710	669,517	5,193
Current year's taxes collected			<u>\$ 40,112,789</u>	<u>\$ 35,634,418</u>	<u>\$ 4,478,371</u>
Current levy collection percentage			<u>98.35%</u>	<u>98.16%</u>	<u>99.88%</u>

# STATISTICAL SECTION

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## **Financial Trends**

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

## **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

## **Debt Capacity**

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

## **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

## **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

TABLE 1

**GRANVILLE COUNTY, NORTH CAROLINA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 7,040,787	\$ 13,168,461	\$ 5,749,001	\$ 13,801,596	\$ 17,096,701	\$ 19,458,241	\$ 24,247,521	\$ 25,179,166	\$ 31,024,432	\$11,926,586
Restricted	-	13,824,466	22,894,879	11,770,892	10,140,935	10,995,235	6,348,920	6,039,996	24,688,335	43,452,365
Unrestricted	(8,000,642)	(35,778,192)	(46,031,350)	(52,503,720)	(46,402,671)	(41,556,680)	(37,992,005)	(29,126,797)	(53,650,835)	(51,610,378)
Total governmental activities net position	<u>(959,855)</u>	<u>(8,785,265)</u>	<u>(17,387,470)</u>	<u>(26,931,232)</u>	<u>(19,165,035)</u>	<u>(11,103,204)</u>	<u>(7,395,564)</u>	<u>2,092,365</u>	<u>2,061,932</u>	<u>3,768,573</u>
Business-type activities										
Net investment in capital assets	1,300,529	1,289,341	1,930,932	5,506,197	5,402,964	5,372,550	5,381,036	5,279,615	5,144,388	5,090,595
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(3,692,801)	(740,690)	(1,654,823)	(7,718,231)	(7,217,508)	(7,320,965)	(7,366,313)	(6,998,454)	(5,688,108)	(7,409,803)
Total business-type activities net position	<u>(2,392,272)</u>	<u>548,651</u>	<u>276,109</u>	<u>(2,212,034)</u>	<u>(1,814,544)</u>	<u>(1,948,415)</u>	<u>(1,985,277)</u>	<u>(1,718,839)</u>	<u>(543,720)</u>	<u>(2,319,208)</u>
Primary government										
Net investment in capital assets	8,341,316	14,457,802	7,679,933	19,307,793	22,499,665	24,830,791	29,628,557	30,458,781	36,168,820	17,017,181
Restricted	-	13,824,466	22,894,879	11,770,892	10,140,935	10,995,235	6,348,920	6,039,996	24,688,335	43,452,365
Unrestricted	(11,693,443)	(36,518,882)	(47,686,173)	(60,221,951)	(53,620,179)	(48,877,645)	(45,358,318)	(36,125,251)	(59,338,943)	(59,020,181)
Total primary government net position	<u>\$ (3,352,127)</u>	<u>\$ (8,236,614)</u>	<u>\$ (17,111,361)</u>	<u>\$ (29,143,266)</u>	<u>\$ (20,979,579)</u>	<u>\$ (13,051,619)</u>	<u>\$ (9,380,841)</u>	<u>\$ 373,526</u>	<u>\$ 1,518,212</u>	<u>\$ 1,449,365</u>

TABLE 2

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,318,453	\$ 3,557,567	\$ 4,259,610	\$ 4,555,774	\$ 4,405,781	\$ 4,442,094	\$ 4,938,658	\$ 5,332,252	\$ 5,632,304	\$ 6,295,269
Public safety	11,838,566	8,745,611	9,823,361	10,620,057	10,655,790	10,425,328	11,120,875	11,501,856	11,393,977	13,046,766
Transportation	161,465	161,525	135,410	148,296	156,779	173,068	192,910	198,866	198,866	197,224
Economic and physical development	1,142,750	560,181	9,772,776	797,499	476,826	753,782	668,747	717,586	951,127	1,363,072
Human Services	9,883,423	11,189,177	11,590,347	23,560,271	12,744,738	10,524,184	11,357,664	11,170,966	10,588,830	14,130,315
Community Services	2,889,358	3,219,464	3,246,796	3,853,986	2,746,910	3,990,780	3,700,213	4,257,566	4,530,173	4,512,131
Education	15,247,427	24,697,465	17,583,181	14,864,489	14,859,485	21,994,864	18,380,346	16,306,405	17,570,103	21,980,521
Interest on long-term debt	1,985,372	2,423,796	2,425,015	2,507,886	2,303,425	2,658,358	2,574,030	2,360,100	2,213,085	3,474,537
Total governmental activities expenses	47,466,814	54,554,786	58,836,496	60,908,258	48,349,734	54,962,458	52,933,443	51,845,597	53,078,465	64,999,835
Business-type activities										
Solid Waste	2,088,641	1,721,247	1,822,661	4,318,099	2,046,765	2,720,941	2,895,474	2,778,367	3,032,006	4,765,067
Stormwater	-	-	-	209,073	261,089	280,217	319,275	313,745	328,837	649,980
Total business-type activities	2,088,641	1,721,247	1,822,661	4,527,172	2,307,854	3,001,158	3,214,749	3,092,112	3,360,843	5,415,047
Total primary government expenses	49,555,455	56,276,033	60,659,157	65,435,430	50,657,588	57,963,616	56,148,192	54,937,709	56,439,308	70,414,882
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General Government	484,736	394,790	625,684	507,272	527,492	487,489	554,483	523,328	579,242	480,581
Public Safety	687,119	621,263	643,455	703,591	676,055	817,649	938,960	838,781	767,356	1,301,830
Economic and physical development	-	17,800	3,560	-	-	-	-	-	-	-
Human Services	1,987,299	299,919	89,602	97,873	84,399	37,670	20,681	22,648	18,628	20,738
Community Services	203,054	192,996	185,681	200,492	243,873	258,978	306,025	326,800	366,764	357,883
Education	-	1,488,000	-	-	-	-	-	-	-	-
Operating grants and contributions										
General Government	37,694	149,436	55,955	69,878	29,930	65,893	55,016	69,738	3,906	-
Public Safety	645,268	678,364	1,057,350	1,711,479	926,318	918,182	948,876	901,466	731,557	798,006
Transportation	192,410	261,137	259,741	291,028	191,221	807,152	397,308	209,041	317,421	327,578
Economic and physical development	-	738,449	27,500	326,361	58,986	438,483	220,568	459,405	63,291	884,283
Human Services	6,247,734	5,868,017	6,421,666	6,237,855	6,547,155	7,246,267	7,250,217	7,625,979	6,402,322	6,846,715
Community Services	265,444	168,581	151,288	156,245	138,529	136,599	136,826	166,602	180,057	137,790
Education	-	-	800,000	1,060,202	1,000,000	848,881	397,280	680,312	530,247	539,245
Capital grants and contributions										
General Government	28,758	-	-	-	-	-	-	-	-	6,403
Public Safety	-	-	-	-	-	-	-	-	770	-
Transportation	-	-	-	-	-	-	-	-	-	-
Economic and physical development	848,919	108,058	147,875	41,415	508,364	66,979	113,028	-	-	157,330
Community Services	80,000	90,000	-	-	498,631	378,019	22,130	143,116	-	-
Education	600,000	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	12,308,435	11,076,810	10,469,357	11,403,691	11,430,953	12,508,241	11,361,398	11,967,216	9,961,561	11,858,382

TABLE 2

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities										
Charges for services:										
Solid Waste	1,527,300	1,680,396	1,540,903	1,686,107	2,325,500	2,528,876	2,756,149	2,984,245	3,330,891	3,243,632
Stormwater	-	-	-	248,572	249,597	257,086	303,627	256,150	256,860	261,479
Operating grants and contributions	-	-	-	-	24,222	25,500	25,500	25,500	25,500	33,263
Capital grants and contributions	-	4,137	4,692	3,493	-	-	-	1,156	500	-
Total business-type activities program revenues	1,527,300	1,684,533	1,545,595	1,938,172	2,599,319	2,811,462	3,085,276	3,267,051	3,613,751	3,538,374
Total primary government program revenues	13,835,735	12,761,343	12,014,952	13,341,863	14,030,272	15,319,703	14,446,674	15,234,267	13,575,312	15,396,756
Net (expenses)/revenue										
Governmental activities										
General Government	(3,767,265)	(3,013,341)	(3,577,971)	(3,978,624)	(3,848,359)	(3,888,712)	(4,329,159)	(4,739,186)	(5,049,156)	(5,808,285)
Public Safety	(10,506,179)	(7,445,984)	(8,122,556)	(8,204,987)	(9,053,417)	(8,689,497)	(9,233,039)	(9,761,609)	(9,894,294)	(10,946,930)
Transportation	30,945	99,612	124,331	142,732	34,442	634,084	204,398	10,175	118,555	130,354
Environmental Protection	-	-	-	-	-	-	-	-	-	-
Economic and physical development	(293,831)	304,126	(9,593,841)	(429,723)	90,524	(248,320)	(335,151)	(258,181)	(887,836)	(321,459)
Human Services	(1,648,390)	(5,021,241)	(5,079,079)	(17,224,543)	(6,113,184)	(3,240,247)	(4,086,766)	(3,522,339)	(4,167,880)	(7,262,862)
Community Services	(2,340,860)	(2,767,887)	(2,909,827)	(3,497,249)	(1,865,877)	(3,217,184)	(3,235,232)	(3,621,048)	(3,983,352)	(4,016,458)
Education	(14,647,427)	(23,209,465)	(16,783,181)	(13,804,287)	(13,859,485)	(21,145,983)	(17,983,066)	(15,626,093)	(17,039,856)	(21,441,276)
Non-departmental and special areas	-	-	-	-	-	-	-	-	-	-
Interest on long term debt	(1,985,372)	(2,423,796)	(2,425,015)	(2,507,886)	(2,303,425)	(2,658,358)	(2,574,030)	(2,360,100)	(2,213,085)	(3,474,537)
Business-type activities										
Solid waste	(561,341)	(36,714)	(277,066)	(2,628,499)	278,735	(192,065)	(113,825)	231,378	324,385	(1,488,172)
Stormwater	-	-	-	39,499	(11,492)	(23,131)	(15,648)	(56,439)	(71,477)	(388,501)
Total primary government net expenses	(35,719,720)	(43,514,690)	(48,644,205)	(52,133,066)	(36,640,046)	(42,646,282)	(41,701,518)	(39,703,442)	(42,863,996)	(55,018,126)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	30,260,553	31,614,844	31,803,407	31,967,760	35,899,937	35,119,245	36,226,663	39,171,884	40,319,275	41,016,801
Local option sales tax	5,915,129	4,929,327	5,512,386	5,977,343	5,826,915	6,038,601	6,322,373	7,758,228	8,143,429	8,625,333
Other taxes and licenses	523,113	1,576,079	1,777,995	1,993,976	2,056,480	2,222,684	2,295,726	2,544,229	2,631,894	3,017,074
Investment earnings	182,190	127,862	61,598	49,130	41,765	26,657	37,952	169,172	484,589	1,420,517
Miscellaneous	(163,201)	378,224	609,548	297,442	354,724	303,684	396,971	357,010	4,086,184	768,369
Transfers	-	(2,973,770)	-	-	-	-	-	-	(1,000,000)	-
Total general revenues, special items and transfers	36,717,784	35,652,566	39,764,934	40,285,651	44,179,821	43,710,871	45,279,685	50,000,523	54,665,371	54,848,094
Total governmental activities	36,717,784	35,652,566	39,764,934	40,285,651	44,179,821	43,710,871	45,279,685	50,000,523	54,665,371	54,848,094
Business-type activities:										
Investment earnings	5,522	3,864	4,524	5,062	1,778	1,534	4,863	11,872	16,085	21,387
Miscellaneous	-	-	-	95,795	104,247	84,583	87,748	79,627	93,627	79,798
Transfers	-	2,973,770	-	-	-	-	-	-	1,000,000	-
Total general revenues, special items and transfers	5,522	2,977,634	4,524	100,857	106,025	86,117	92,611	91,499	1,109,712	101,185
Total business-type activities	5,522	2,977,634	4,524	100,857	106,025	86,117	92,611	91,499	1,109,712	101,185
Total primary government	36,723,306	38,630,200	39,769,458	40,386,508	44,285,846	43,796,988	45,372,296	50,092,022	55,775,083	54,949,279
<b>Changes in Net Position</b>										
Governmental activities	1,559,405	(7,825,410)	(8,602,205)	(9,218,916)	7,261,040	1,256,654	3,707,640	10,122,142	11,548,467	1,706,641
Business-type activities	(555,819)	2,940,920	(272,542)	(2,488,143)	373,268	(129,079)	(36,862)	266,438	1,362,620	(1,775,488)
Total primary government	\$ 1,003,586	\$ (4,884,490)	\$ (8,874,747)	\$ (11,707,059)	\$ 7,634,308	\$ 1,127,575	\$ 3,670,778	\$ 10,388,580	\$ 12,911,087	\$ (68,847)

TABLE 3

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Local Sales Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>Occupancy Tax*</b>	<b>Other Tax</b>	<b>Total</b>
2010	\$ 30,260,553	\$ 5,915,129	\$ 11,612	\$ 188,877	\$ 334,236	\$ 36,698,795
2011	31,614,844	4,929,327	11,607	185,671	1,390,409	38,120,250
2012	31,803,407	5,512,386	11,887	178,497	1,599,498	39,093,788
2013	31,967,760	5,977,343	12,167	167,032	1,826,944	39,951,246
2014	35,899,937	5,826,915	12,579	160,985	1,895,495	43,795,911
2015	35,119,245	6,038,601	13,127	189,714	2,019,843	43,380,530
2016	36,226,663	6,322,373	13,619	208,577	2,087,149	44,858,381
2017	39,171,884	7,758,228	14,439	233,054	2,311,175	49,488,780
2018	40,319,275	8,143,429	14,821	251,948	2,379,946	51,109,419
2019	\$ 41,016,801	\$ 8,625,333	\$ 15,499	\$ 252,497	\$ 2,749,078	\$ 52,659,208



TABLE 4

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

	Fiscal Year									
	Restated* 2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Fund</b>										
Nonspendable										
Prepaid items	\$ -	\$ 4,000	\$ 368	\$ 900	\$ 1,635	\$ 1,916	\$ 1,711	\$ 1,542	\$ 1,855	\$ 4,000
Restricted										
Stabilization by State Statute	3,334,751	2,831,605	2,694,795	2,092,758	3,247,393	3,997,815	3,942,662	3,280,930	4,006,440	4,712,758
Register of Deeds	-	12,748	33,561	-	12,618	35,050	42,603	60,950	30,743	53,193
Human Services	-	-	13,591,044	5,416,399	3,538,668	-	-	-	5,800,692	2,695,571
Education	739,572	-	-	695,447	1,043,189	1,390,935	1,738,702	2,088,926	2,455,239	2,852,550
Community Services	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Committed										
Tax Revaluation	110	98,122	196,283	294,687	392,987	491,351	591,041	376,543	-	105,086
Public Safety	-	-	591,606	945,368	1,022,524	1,091,381	994,675	812,043	791,710	704,631
Assigned										
Subsequent year's expenditures	990,730	768,172	1,418,657	1,735,002	1,874,511	1,884,639	594,708	386,385	418,603	2,313,755
Community Services	-	-	-	-	-	-	500,000	700,000	500,000	-
Economic & Physical Development	1,003,828	960,000	1,232,800	956,521	548,995	452,737	630,300	1,600,000	1,070,000	1,070,000
Public Safety	-	-	-	-	-	-	-	7,000,000	1,000,000	1,000,000
Human Services	-	-	-	-	-	-	-	2,000,000	2,000,000	2,000,000
Environmental Protection	-	-	-	-	-	-	-	1,000,000	-	-
Transportation	-	-	-	-	-	-	-	1,400,000	-	-
Education	-	-	-	-	-	-	-	-	7,000,000	-
Unassigned	18,741,118	19,324,317	11,353,100	18,625,992	20,478,407	28,287,719	30,810,391	23,821,293	22,942,823	25,044,003
Total General Fund	<u>\$ 24,810,109</u>	<u>\$ 23,998,964</u>	<u>\$ 31,112,214</u>	<u>\$ 30,763,074</u>	<u>\$ 32,160,927</u>	<u>\$ 37,633,543</u>	<u>\$ 39,846,793</u>	<u>\$ 44,528,612</u>	<u>\$ 48,018,105</u>	<u>\$ 42,555,547</u>
<b>All other governmental funds</b>										
Nonspendable										
Prepaid items	\$ -	\$ -	\$ -	\$ -	\$ 34,930	\$ 34,930	\$ 34,930	\$ 34,930	\$ 34,930	\$ -
Restricted										
Stabilization by State Statute	39,779	39,779	135,549	83,357	30,034	32,179	34,910	37,887	32,374	70,780
Education	(62,241)	5,993,606	1,251,264	29,021	29,023	4,247,438	-	-	6,688,873	9,291,586
Community Services	8,206,046	3,687,890	2,002,241	986,837	837,938	265,776	240,274	302,527	317,293	733,235
Public Safety	1,204,897	1,258,838	194,485	158,231	179,841	229,137	349,769	268,776	5,356,681	23,042,692
Economic & Physical Development	-	-	2,644,258	2,308,842	1,222,231	796,905	-	-	-	-
Committed										
Economic & Physical Development	1,622,072	210,014	33,564	642	-	-	-	-	-	-
Unassigned	-	-	-	-	(218,565)	-	(642,708)	-	(229,287)	(178,278)
Total other governmental funds	<u>\$ 11,010,553</u>	<u>\$ 11,190,127</u>	<u>\$ 6,261,361</u>	<u>\$ 3,566,930</u>	<u>\$ 2,115,432</u>	<u>\$ 5,606,365</u>	<u>\$ 17,175</u>	<u>\$ 644,120</u>	<u>\$ 12,200,864</u>	<u>\$ 32,960,015</u>
<b>Fiscal Year</b>										
<b>2010</b>										
General fund										
Reserved by state statute	\$ 3,007,806									
Reserved For Register of Deeds	-									
Unreserved (available for appropriation)										
Designated for subsequent year's expen	870,530									
Designated for repayment of economic	1,003,828									
Undesignated	18,349,340									
Total General Fund	<u>23,231,504</u>									
All other governmental funds										
Reserved by state statute	423,684									
Reserved for school construction	-									
Reserved for public improvement constructi	-									
Unreserved (available for appropriation)										
Designated for subsequent year's expenditures										
Special revenue funds	995,489									
Capital Projects	120,200									
Undesignated, reported in nonmajor										
Special revenue funds	2,771,931									
Capital Projects	8,277,854									
Total all other governmental funds	<u>\$ 12,589,158</u>									

\* Fiscal years 2009 through 2010 are presented in the Pre-GASB 54 format on the bottom table with Fiscal years 2010 through 2018 presented showing the GASB 54 format. Fiscal year 2010 was restated by County Finance Staff and represents and was not subject to audit procedures.

TABLE 5

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Ad Valorem taxes	\$ 30,144,926	\$ 31,596,349	\$ 31,873,214	\$ 32,738,695	\$ 36,071,119	\$ 35,485,256	\$ 36,419,897	\$39,426,432	\$40,390,916	\$ 40,736,763
Sales and other taxes	6,327,694	5,432,983	7,271,408	7,844,912	7,706,195	8,109,374	8,460,686	10,094,167	10,615,127	11,527,328
Licenses, fees and other revenue	3,384,135	1,824,726	2,074,806	2,093,304	2,150,691	2,127,385	2,354,341	2,439,890	2,326,902	2,766,361
Restricted Intergovernmental Revenues	8,897,671	11,251,616	9,382,743	10,229,890	10,099,871	11,216,643	9,783,880	10,326,621	8,368,920	9,778,477
Investment earnings	182,190	127,862	61,598	49,130	41,765	26,657	37,952	169,172	484,589	1,420,517
Miscellaneous	341,778	371,189	293,653	177,404	350,646	236,566	235,137	184,525	112,088	121,899
Total Revenues	49,278,394	50,604,725	50,957,422	53,133,335	56,420,287	57,201,881	57,291,893	62,640,807	62,298,542	66,351,345
<b>Expenditures</b>										
Current:										
General government	2,939,723	2,670,103	2,912,726	3,005,461	3,112,460	3,070,425	3,385,737	3,367,050	3,503,946	3,990,744
Public safety	10,873,165	8,414,677	10,087,628	9,770,114	10,267,270	10,010,614	10,551,246	10,831,586	10,830,932	11,802,610
Community services	2,267,231	3,540,856	3,116,885	3,443,616	3,189,156	3,031,754	4,563,679	3,565,425	4,025,750	4,253,181
Economic and physical development	74,319	108,058	406,286	467,279	27,644	56,777	103,287	-	-	-
Human Services	9,204,421	10,683,498	10,683,159	10,907,712	10,461,480	10,122,056	10,439,671	10,151,118	9,328,515	9,964,361
Non-departmental & special areas	1,879,904	2,456,295	7,761,846	15,801,366	4,059,505	2,701,203	2,405,556	3,170,991	3,533,266	3,288,306
Capital Outlay	3,431,384	4,637,671	2,091,297	1,021,405	2,452,522	7,980,901	4,563,607	48,598	3,406,566	18,902,857
Intergovernmental:										
Education	15,247,427	24,698,148	17,583,181	14,864,489	14,859,485	14,604,207	15,250,609	16,306,405	16,125,309	17,623,166
Debt service:										
Bond issuance cost	42,653	235,107	-	345,343	-	-	-	-	-	-
Principal	3,558,017	4,325,081	5,317,182	4,649,290	5,186,772	19,162,582	6,369,959	7,014,344	6,654,760	7,037,373
Interest	2,021,963	2,493,032	2,812,748	2,711,060	2,857,638	3,247,813	3,109,783	2,876,526	2,724,068	3,477,571
Total expenditures	51,540,207	64,262,526	62,772,938	66,987,135	56,473,932	73,988,332	60,743,134	57,332,043	60,133,112	80,340,169
Excess of revenues over (under) expenditures	(2,261,813)	(13,657,801)	(11,815,516)	(13,853,800)	(53,645)	(16,786,451)	(3,451,241)	5,308,764	2,165,430	(13,988,824)
<b>Other financing sources (uses)</b>										
Debt proceeds	19,815,000	16,000,000	14,000,000	26,855,000	-	25,750,000	5,485,000	-	18,949,000	34,665,000
Premium on debt	463,302	-	-	2,525,946	-	-	-	-	-	3,864,139
Payments to refunded bond escrow agent	(10,500,708)	-	-	(18,350,717)	-	-	(5,409,698)	-	(4,968,193)	(9,243,722)
Transfers in from other funds	5,747,250	2,939,116	4,207,569	1,186,952	487,105	617,535	490,426	663,301	6,829,996	11,722,559
Transfers out to other funds	(5,747,250)	(5,912,886)	(4,207,569)	(1,406,952)	(487,105)	(617,535)	(490,426)	(663,301)	(7,929,996)	(11,722,559)
Total other financing sources (uses)	9,777,594	13,026,230	14,000,000	10,810,229	-	25,750,000	75,302	-	12,880,807	29,285,417
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	7,515,781	(631,571)	2,184,484	(3,043,571)	(53,645)	8,963,549	(3,375,939)	5,308,764	15,046,237	15,296,593
Net change in fund balances	\$ 7,515,781	\$ (631,571)	\$ 2,184,484	\$ (3,043,571)	\$ (53,645)	\$ 8,963,549	\$ (3,375,939)	\$ 5,308,764	\$15,046,237	\$ 15,296,593
Debt service as a percentage of noncapital expenditures	11.40%	11.79%	15.05% #	11.45%	14.88%	30.54%	16.51%	17.46%	16.29%	15.23%

TABLE 6

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>Other Taxes</b>	<b>Total</b>
2010	\$ 30,144,926	\$ 5,915,129	\$ 11,612	\$ 400,953	\$ 36,472,620
2011	31,596,349	4,929,327	11,606	503,656	37,040,938
2012	31,873,214	5,512,386	11,887	490,872	37,888,359
2013	32,738,695	5,977,343	12,167	481,307	39,209,512
2014	36,071,119	5,826,915	12,579	532,830	42,443,443
2015	35,485,256	6,038,601	13,127	591,103	42,128,087
2016	36,419,897	6,322,373	13,619	651,742	43,407,631
2017	39,426,432	7,758,228	14,439	697,315	47,896,414
2018	40,390,916	8,143,429	14,821	758,921	49,308,087
2019	\$ 40,736,763	\$ 8,625,333	\$ 15,499	\$ 755,468	\$ 50,133,063

TABLE 7

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

<b>Fiscal Year Ended June 30</b>	<b>Property Excluding Registered Motor Vehicles</b>	<b>Motor Vehicles</b>	<b>Plus Discoveries</b>	<b>Less Abatements</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Estimated Actual Taxable/Market Value</b>	<b>Assessed Value as a Percentage of Market Value</b>
2010	\$ 3,203,221,864	\$ 411,796,666	\$ 119,939,515	\$ (65,594,788)	\$ 3,669,363,257	0.825	\$ 30,272,247	\$ 30,820,858	98.22%
2011	3,495,709,869	341,241,745	127,933,962	(9,200,000)	3,955,685,576	0.795	31,447,700	30,325,651	103.70%
2012	3,517,432,454	360,457,359	124,469,560	(7,083,396)	3,995,275,977	0.795	31,762,444	30,258,592	104.97%
2013	3,574,424,012	378,323,522	137,054,969	(10,881,132)	4,078,921,371	0.795	32,427,425	29,975,434	108.18%
2014	3,645,649,362	520,715,946	135,053,012	(5,627,108)	4,295,791,212	0.830	35,605,455	34,448,002	103.36%
2015	3,682,196,152	425,683,950	131,119,277	(5,085,060)	4,233,914,319	0.830	35,141,489	33,999,118	103.36%
2016	3,748,910,780	453,337,711	176,613,012	(14,976,988)	4,363,884,515	0.830	36,220,241	35,042,803	103.36%
2017	3,864,445,943	479,207,273	156,940,227	(4,929,432)	4,495,664,011	0.880	39,561,843	38,275,777	103.36%
2018	3,963,931,502	492,314,205	147,853,295	(2,375,000)	4,601,724,002	0.880	40,495,171	39,178,765	103.36%
2019	\$ 4,195,616,988	\$ 533,757,619	\$ 186,059,524	\$ (59,779,524)	\$ 4,855,654,607	0.840	40,787,499	39,461,589	103.36%

Source: Granville County Tax Department

TABLE 8

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

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>County Direct Rates*</b>										
County-wide Rate	0.840	0.880	0.880	0.830	0.830	0.830	0.795	0.795	0.795	0.825
<b>Municipality Rates</b>										
City of Oxford	0.640	0.640	0.640	0.640	0.620	0.620	0.600	0.600	0.600	0.600
Town of Stem	0.450	0.450	0.450	0.450	0.450	0.450	0.450	0.450	0.450	0.450
Town of Stovall	0.490	0.490	0.490	0.490	0.490	0.490	0.490	0.490	0.490	0.490
City of Creedmoor	0.635	0.635	0.665	0.665	0.700	0.700	0.700	0.700	0.700	0.700
Town of Butner\	0.365	0.365	0.365	0.350	0.350	0.350	0.350	0.350	0.350	0.250
Oxford Parking Authority	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Oxford Municipal Service District	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200
Oxford Economic Development District	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100

TABLE 9

**GRANVILLE COUNTY, NORTH CAROLINA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**JUNE 30, 2019**  
**CURRENT YEAR AND SIX YEARS AGO\***

Taxpayer	2019			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Revlon	\$ 97,876,641	1	2.02%	\$ 75,559,686	1	1.83%
Certainteed Corporation	60,991,038	2	1.26%	63,590,386	2	1.54%
Duke Energy Progress	41,525,679	3	0.86%	40,266,866	3	0.98%
SantaFe Natural Tobacco Company	38,015,948	4	0.78%	28,456,286	4	0.69%
Bridgestone Commercial Solutions^	37,404,118	5	0.77%	27,221,235	5	0.66%
Delhaize America Distribution	19,315,850	6	0.40%	-	-	-
Altec Industries Inc.	19,984,068	7	0.41%	-	-	-
Safway (Sunrock)	19,933,911	8	0.41%	-	-	-
Public Service Co. of NC	28,199,133	9	0.58%	27,428,688	7	0.66%
WAKE EMC	24,084,093	10	0.50%	25,992,574	6	0.63%
Butner Acquisition Company	-	-	0.00%	20,101,045	8	0.49%
Carefusion EIT LLC	-	-	0.00%	19,853,326	9	0.48%
Newton Instrument Company	-	-	0.00%	19,598,899	10	0.47%
Totals	<u>\$ 387,330,479</u>		<u>7.98%</u>	<u>\$ 348,068,991</u>		<u>8.43%</u>

Source: Granville County Tax Department

^ In 2007 Company name was Bandag Inc.

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

TABLE 10

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

<b>Fiscal Year Ended December 31</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2010	\$ 30,180,232	\$ 29,039,361	96.22%	\$ 1,048,991	\$ 30,088,352	99.70%
2011	31,512,371	30,623,639	97.18%	857,806	31,481,445	99.90%
2012	31,762,444	30,856,878	97.15%	875,397	31,732,275	99.91%
2013	32,427,425	31,513,749	97.18%	877,088	32,390,837	99.89%
2014	35,605,455	34,934,862	98.12%	634,012	35,568,874	99.90%
2015	35,141,489	34,735,388	98.84%	359,497	35,094,885	99.87%
2016	36,220,241	35,922,785	99.18%	256,992	36,179,777	99.89%
2017	39,561,843	39,186,091	99.05%	292,543	39,478,634	99.79%
2018	40,495,171	40,063,479	98.93%	267,142	40,330,621	99.59%
2019	\$ 40,787,499	\$ 40,112,789	98.35%	\$ -	\$ 40,112,789	98.35%

Source: Granville County Tax Department

TABLE 11

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

Fiscal Year	Governmental Activities					Total Primary Government	Per Capita *	Percentage of Personal Income*
	General Obligation Bonds	Installment Obligations	Financing Agreements	Certificates of Participation	Capital Leases			
2010	\$ 49,345,000	\$ 4,369,561	\$ -	\$ -	\$ 100,570	\$ 53,815,131	957	3.47%
2011	46,635,414	3,990,096	-	16,000,000	-	66,625,510	1,100	3.92%
2012	43,363,248	17,607,184	8,048,861	15,510,000	-	84,529,293	1,389	4.86%
2013	41,650,118	27,935,125	7,198,333	15,020,000	-	91,803,576	1,582	5.15%
2014	38,203,031	27,451,269	6,337,174	14,530,000	-	86,521,474	1,488	4.64%
2015	34,770,946	37,865,337	6,870,000	14,040,000	-	93,546,283	1,605	4.56%
2016	31,513,181	35,686,398	4,743,262	13,550,000	-	85,492,841	1,455	4.08%
2017	28,097,562	33,250,867	3,977,065	13,060,000	-	78,385,494	1,321	3.80%
2018	24,965,944	44,995,132	3,201,290	12,565,000	-	85,727,366	1,415	3.92%
2019	\$ 59,983,941	\$ 33,162,000	\$ 2,415,818	\$ 12,070,000	\$ -	\$ 107,631,759	1,788	4.84%

Note 1: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

Note 2: Per Capita amounts are based on population numbers as of July 1 of the fiscal year.

\* Total Personal income can be calculated using population and per capita income information found on Table 14



TABLE 12

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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Personal Income*</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2010	\$ 49,345,000	\$ -	\$ 49,345,000	3.11%	1.34%	859
2011	46,635,414	-	46,635,414	2.74%	1.18%	770
2012	43,363,248	-	43,363,248	2.49%	1.09%	712
2013	41,650,118	-	41,650,118	2.34%	1.02%	718
2014	38,203,031	-	38,203,031	2.05%	0.89%	657
2015	34,770,946	-	34,770,946	1.70%	0.82%	597
2016	31,513,181	-	31,513,181	1.50%	0.72%	536
2017	28,097,562	-	28,097,562	1.36%	0.62%	474
2018	24,965,944	-	24,965,944	1.14%	0.54%	412
2019	\$ 59,983,941	\$ -	\$ 59,983,941	2.70%	1.24%	996

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

\* Total Personal income can be calculated using population and per capita income information found on Table 14

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

	<b>Fiscal Year</b>									
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Debt limit	\$ 293,549,061	\$ 316,454,846	\$ 319,622,078	\$ 326,313,710	\$ 343,663,297	\$ 338,713,146	\$ 349,110,761	\$ 359,653,121	\$ 368,137,920	\$ 388,452,369
Total net debt applicable to limit	57,390,915	53,041,051	84,529,293	91,803,576	86,521,474	93,546,283	85,517,519	78,385,494	85,727,366	107,631,759
Legal debt margin	<u>\$ 236,158,146</u>	<u>\$ 263,413,795</u>	<u>\$ 235,092,785</u>	<u>\$ 234,510,134</u>	<u>\$ 257,141,823</u>	<u>\$ 245,166,863</u>	<u>\$ 263,593,242</u>	<u>\$ 281,267,627</u>	<u>\$ 282,410,554</u>	<u>\$ 280,820,610</u>
Total net debt applicable to the limit as a percentage of debt limit	19.55%	16.76%	26.45%	28.13%	25.18%	27.62%	24.50%	21.79%	23.29%	27.71%
<b>Legal Debt Margin Calculation for Fiscal Year 2019</b>										
Assessed value										\$ 4,855,654,607
Debt limit (8% of total assessed value)										388,452,369
Debt applicable to limit:										
General obligation bonds										59,983,941
Installment Obligations										33,162,000
Certificates of Participation										2,415,818
Lease Financing Agreements - Governmental Activities										<u>12,070,000</u>
Total net debt applicable to limit										<u>107,631,759</u>
Legal debt margin										<u>\$ 280,820,610</u>

TABLE 14

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

<b>Fiscal Year</b>	<b>(1) Population</b>	<b>(2) Per Capita Income</b>	<b>(3) Percent High School Graduate</b>	<b>Percent Bachelor's Degree or Higher</b>	<b>(4) School Enrollment</b>	<b>(5) Unemployment Rate</b>
2010	57,434	27,588	65.3	14	8,637	9.9%
2011	60,547	28,085	78.3	14	8,545	10.5%
2012	60,863	28,590	79.9	14	8,505	10.1%
2013	58,036	30,722	81.7	15	8,479	9.8%
2014	58,162	32,087	81.7	15	8,100	6.8%
2015	58,284	35,194	82	17.7	7,988	4.9%
2016	58,750	35,652	82	17.7	7,868	5.1%
2017	59,322	34,807	82	17.6	7,667	3.6%
2018	60,566	36,078	82	19.4	7,438	3.3%
2019	60,213	36,924	83.6	21	7,314	3.4%

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

Fiscal year 2015 figure based on 2014 Est from NC Dept. of Commerce ACCESSNC table.

Fiscal year 2016 based on FY 2015 figure and projected annual growth of 0.8%.

Fiscal year 2017 based on FY 2015 NCOSBM figure and projected annualized growth of .66%.

Fiscal year 2018 based on projected July 2018 NCOSBM figure.

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

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

(Note: fiscal years 2009 - 2010 were restated to reflect a single source of information. Previous tables in prior year CAFR documents utilized a different source for this information)

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

Fiscal year 2015 figure based on 2014 Est. Median Worker Earnings from NC Dept. of Commerce ACCESSNC table.

Fiscal year 2016 based on FY 2015 figure and projected Per Capita income annual growth of 1.3%

Fiscal year 2017 based on FY 2015 per capita figure and projected FY 2016 per capita income annual growth of 1.3% (both from ACCESSNC)

Fiscal year 2018 based on FY 2016 per capita figure (Nov '18 ACCESSNC report) and projected growth of 1.3%.

Source 3: Percent high school graduates and percent bachelor's degree or higher are from the

North Carolina Department of Commerce files

Fiscal year 2015 figure based on 2014 Est from NC Dept. of Commerce ACCESSNC table.

Fiscal year 2016 figure based on 2015 Est from NC Dept. of Commerce ACCESSNC table.

Fiscal year 2017 figure based on 2016 Est from NC Dept. of Commerce ACCESSNC table.

Fiscal year 2018 figure based on 2017 Est from NC Dept. of Commerce ACCESSNC table.

Source 4: School Enrollment numbers are from the Department of Public Instruction - Average Daily Membership

Fiscal year 2016 figure based on Dept of Public Instruction - Average Daily Membership

Fiscal year 2017 figure based on Dept of Public Instruction - Average Daily Membership

Fiscal year 2018 figure based on Dept of Public Instruction - Average Daily Membership - Does not include charter schools

Source 5: Unemployment rates are from the North Carolina Department of Commerce - Labor &

Economic Analysis Division

Fiscal year 2015 figure based on 2014 Est from NC Dept. of Commerce ACCESSNC table.

Fiscal year 2016 figure based on NC Dept of Commerce - D4 table

Fiscal year 2017 figure taken from NCACCESS

Fiscal year 2018 figure taken from NCACCESS (Aug 2018 Prelim, 2017 Unemployment Rate)

TABLE 15

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

2019				2011			
Employer	Employees	Rank	Percentage of Total County Employment	Employer	Employees	Rank	Percentage of Total County Employment
Revlon	1,000	1	3.27%	Revlon	1,450	1	5.70%
Altec Industries	600	2	1.96%	Altec Industries	400	2	1.57%
Food Lion Distribution	550	3	1.80%	Certainteed Corporation	300	3	1.18%
Certainteed Corporation	250	4	0.82%	Food Lion Distribution	300	4	1.18%
Ideal Fastner	200	5	0.65%	Flextronics	250	5	0.98%
Bridgestone Bandag	200	6	0.65%	Ideal Fastener	190	6	0.78%
Clayton Homes	200	7	0.65%	Bridgestone Commercial Solutions	177	7	0.75%
Gate Precast	150	8	0.49%	Newton Instrument Co.	170	8	0.67%
Santa Fe Natural Tobacco	140	9	0.46%	Clayton Homes	150	9	0.59%
Newton Instruments	130	10	0.43%	Santa Fe Natural	142	10	0.56%
Dill Air Controls	120	11	0.39%	Gate Precast	125	11	0.49%
A & W NC	100	12	0.33%	PalletOne of North Carolina, Inc.	109	12	0.43%
	<u>3,640</u>		<u>11.92%</u>	Total	<u>3,763</u>		<u>14.88%</u>

Source: Information from Granville County Economic Development Commisison

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

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Function</b>										
General Government	35	35	35.5	35	36.5	39	39	39	39	42
Human Services	98.5	98.5	100	98	98	99.5	103.5	103	102	106
Community Services	40.5	42.5	44.5	49.5	56	56	58.5	54	61	66
Public Safety										
Sheriff's Dept./Detention Center	90.5	94.5	99.5	99	99.5	100	99.5	102	103	102
Emergency Services*	72.5	25	26	25	29	31	29	31	43	31
Emergency Management	3	3	4	3	3	4	3	3	4	4
Solid Waste	4	4	4.5	4.5	4.5	5.5	5.5	6	6	6
Water & Sewer	-	-	-	-	-	-	-	-	0	
Total	344	302.5	314	314	326.5	335	338	338	358	357

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

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

TABLE 17

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

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety/Sheriff										
Incident Reports**	8,773	10,220	8,920	8,918	8,763	8,446	8,505	7,425	8,499	7,663
Miscellaneous Incident Reports	-	-	-	-	-	-	-	-	-	-
Arrests	1,023	1,353	1,409	1,189	1,014	887	994	978	849	744
Court Papers	8,221	8,026	7,427	6,965	5,945	7,532	6,604	6,955	6,328	6,346
Public Safety/Emerg Mgmt/Fire										
Number of calls answered (includes fire & medical first response calls)	2,475	2,754	2,594	2,585	1,953	2,335	2,333	2,272	2,344	2,464
Inspections	172	205	233	263	216	235	247	225	382	359
Solid Waste										
MSW Landfill Tonnage (May 1, 2013 - present)				3,091	17,403	20,634	20,120	46,685	40,489	51,818
C & D Landfill Tonnage	16,493	17,171	14,237	13,024	15,447	13,480	15,172	2,757	0	0
Convenience Sites Tonnage	8,635	8,248	8,069	7,643	7,543	8,625	10,422	10,122	10,775	11,095
Civil Citations	4	10	5	7	5	4	6	5	5	2
Criminal Citations	1	1	2	-	1	1	-	-	-	-
Community Services/Library										
Items Added to Physical Collection	2,429	8,903	7,297	6,904	5,468	6,079	6,085	6,877	7,579	7,530
Items Added to Virtual Collection^	-	-	4,067	160	N/A	N/A	N/A	N/A	6,392	n/a
Circulation	178,460	186,335	209,706	136,094	118,346	126,891	135,810	136,844	130,075	142,725
Internet Use	36,648	42,276	45,828	61,369	45,713	54,830	54,850	56,883	48,195	48,049
Program Attendance	4,378	4,261	6,594	6,584	14,160	17,367	16,155	11,337	5,075	8,094
Community Services/Planning & Inspections										
Number of Building Permits Issued	573	443	393	474	459	513	667	629	638	726
Number of Mobile Home Permits Issued	60	61	57	59	52	57	68	72	48	71
Number of Other Permits Issued (Includes Electrical, Plumbing & Mechanical)	548	574	588	695	768	825	857	913	834	1,030
Human Services/Social Services										
Average # Adult Medicaid Eligible Cases	2,293	2,340	2,464	2,525	2,515	3,000	5,534	3,997	4,353	4,450
Average # Family & Child Medicaid Cases	4,031	4,168	4,335	4,366	4,315	5,887	5,726	5,212	5,656	5,949
Average # Households Receiving Food Stamps	3,041	3,738	4,156	4,187	4,412	4,192	3,940	3,615	3,452	3,273
Average \$ Fraud Collections per Month	3,853	3,313	3,158	2,814	1,714	2,564	5,120	6,108	6,910	6,715
Education										
School enrollment	8,637	8,545	8,505	8,479	8,037	7,964	7,825	7,667	7,438	7,314

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

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

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

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

<b>Function</b>	<b>Fiscal Year</b>									
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Public Safety										
Sheriff (Stations)	2	2	2	2	2	2	2	2	2	2
Fire stations	14	14	14	14	14	14	14	14	14	14
Highways and streets										
Streets (miles)	1510	1528	1534	1595	1513	1521	1542	1546	1551	1554
Culture and recreation										
Parks	2	2	2	2	2	2	2	2	2	2
Libraries	4	4	4	4	4	4	4	4	4	4
Education										
Schools	19	19	20	20	21	21	21	19	19	20

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

## **COMPLIANCE SECTION**



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

Certified Public Accountants



America Counts on CPAs

Gary L. Williams, CPA  
Carleen P. Evans, CPA  
Jennifer T. Reese, CPA  
Tara H. Roberson, CPA

Curtis G. Van Horne, CPA

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## Report On Internal Control over Financial Reporting and On Compliance and Other Matters Based On An Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

### Independent Auditor's Report

To The Board of County Commissioners  
Granville County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Granville County, North Carolina as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprises Granville County's basic financial statements, and have issued our report thereon dated December 20, 2019. Our report includes a reference to other auditors who audited the financial statements of Granville Health System as described in our report on Granville County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of Granville Health System, Granville County ABC Board, Granville County Tourism Development Authority, and South Granville Memorial Gardens were not audited in accordance with *Government Auditing Standards*.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Granville County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Granville County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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102 W. Spring Street • P.O. Box 1366 • Oxford, NC 27565 • (919) 693-5196 • fax (919) 693-7614

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Granville County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Winston, Williams, Creech, Evans & Company, LLP  
Certified Public Accountants  
Oxford, NC  
December 20, 2019

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

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## Report On Compliance with Requirements Applicable To Each Major Federal Program And Internal Control Over Compliance In Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act

### Independent Auditor's Report

To the Board of County Commissioners  
Granville County, North Carolina

### Report on Compliance for Each Major Federal Program

We have audited the Granville County, North Carolina, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Granville County's major federal programs for the year ended June 30, 2019. Granville County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with federal and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Granville County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, OMB Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Granville County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Granville County's compliance.

### **Basis for Qualified Opinion on the Medical Assistance Program**

As described in the accompanying schedule of findings and questioned costs, Granville County did not comply with requirements regarding the CFDA 93.778 Medical Assistance Program as described in finding numbers 19-1 for Eligibility. Compliance with such requirements is necessary, in our opinion, for Granville County to comply with the requirements applicable to that program.

### **Qualified Opinion on the Medical Assistance Program**

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Granville County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Medical Assistance Program for the year ended June 30, 2019.

### **Unmodified Opinion on Each of the Other Major Federal Programs**

In our opinion, Granville County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2019.

### **Other matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 19-2. Our opinion on each major federal program is not modified with respect to these matters.

Granville County's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and the corrective action plan. Granville County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Management of Granville County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Granville County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or

significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in *internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 19-1 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 19-2 to be a significant deficiency.

Granville County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and the corrective action plan. Granville County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Winston, Williams, Creech, Evans & Company, LLP  
Certified Public Accountants  
Oxford, NC  
December 20, 2019

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## Report On Compliance With Requirements Applicable To Each Major State Program And Internal Control Over Compliance In Accordance with the Uniform Guidance and the State Single Audit Implementation Act

### Independent Auditor's Report

To the Board of County Commissioners  
Granville County, North Carolina

#### Report on Compliance for Each Major State Program

We have audited the Granville County, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Granville County's major state programs for the year ended June 30, 2019. Granville County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Granville County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the *State Single Audit Implementation Act*. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Granville County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination on Granville County's compliance.

### **Basis for Qualified Opinion on the Medical Assistance Program**

As described in the accompanying schedule of findings and questioned costs, Granville County did not comply with requirements regarding CFDA 93.778 Medical Assistance Program as described in finding number 19-1 for Eligibility. Compliance with such requirements is necessary, in our opinion, for Granville County to comply with the requirements applicable to that program.

### **Qualified Opinion on the Medical Assistance Program**

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Granville County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Medical Assistance Program for the year ended June 30, 2019.

### **Unmodified Opinion on Each of the Other Major State Programs**

In our opinion, Granville County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2019.

### **Other Matters**

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 19-2. Our opinion on each major state program is not modified with respect to these matters.

Granville County's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and the corrective action plan. Granville County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### **Report on Internal Control over Compliance**

Management of Granville County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Granville County's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance

that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we to be material weaknesses and significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2019-1 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 17-2 to be a significant deficiency.

Granville County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and the corrective action plan. Granville County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Winston, Williams, Creech, Evans & Company, LLP  
Certified Public Accountants  
Oxford, NC  
December 20, 2019



**GRANVILLE COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**Section I. Summary of Auditor's Results**

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Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant Deficiency(s) identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☒ Yes ☐ No
- Significant Deficiency(s) identified? ☒ Yes ☐ None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified, for all federal programs except for Medical Assistance Program, which was modified.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☒ Yes ☐ No

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
93.778	Medical Assistance Program
10.561	Supplemental Nutrition Assistance Program

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

**GRANVILLE COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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State Awards

Internal control over major State programs:

- Material weakness(es) identified?   X   Yes        No
- Significant Deficiency(s) identified?   X   Yes        None reported

Type of auditor's report issued on compliance for major State programs: Unmodified, for all federal programs except for Medical Assistance, which was modified.

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

  X   Yes        No

Identification of major State programs:

Program Name

Medical Assistance

Rural Infrastructure State Grant Funds Building Reuse Grant

Public School Building Capital Fund

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**Section II – Financial Statement Findings**

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None noted.

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**Section III – Federal Award Findings and Questioned Costs**

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**US Department of Health and Human Services**

Passed-through the NC Dept. of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA #: 93.778

**Finding: 2019-1**

MATERIAL WEAKNESS

NONMATERIAL NONCOMPLIANCE

Required verifications and documentation for Eligibility

Criteria: Per the North Carolina Medicaid Assistance Program Compliance Supplement, the DSS manuals (Aged, Blind and Disabled manual and the Family and Children Medicaid manual), and Administrative Letters from the Division of Health Benefits case files for individuals or families receiving assistance are required to retain documentation to evidence appropriate eligibility determination, including verifications of and support for:

- Age
- Citizenship/Identity
- State residency
- Household composition and relationship
- Living arrangement

**GRANVILLE COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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- Social Security Number
- Pregnancy (if applicable)
- Disability, Blindness (if applicable)
- Medicare
- Cooperation with Child Support
- Liquid Assets
- Vehicles and Other Personal Property
- Real Property
- Deductibles
- Income (Self-employment, Other earned income, Unearned income)
- Accurate computation of countable income and resources.
- Reviews/Applications must be completed timely.

The DSS manuals and Administrative letters also provide income maintenance amounts and resource limits for the respective Medicaid program and budget unit size. The computed countable income and resources must be under these limits for the person / family to be eligible for the Medicaid program.

Condition: We noted 59 instances of case records not containing the proper verifications or proper computations as required by policy. Five of these files were not reviewed timely. Five case files did not contain the appropriate entries for the level of care as required for living arrangement documentation. One case did not contain any documentation as to how the disability was verified. One case did not contain a second source to verify NC residency. Another case did not have the correct information entered into evidence in NCFast related to Medicare insurance. One case did not follow policy regarding patients in lockdown units. One case did not follow the post eligibility requirement that the applicant apply for social security disability. One case showed information in the New Hire information on the On-line Verification that was not cleared/followed up on. One case went to an ex-parte review upon termination of SSI benefits however the person was not eligible for Medicaid as they were over the income limit but their case was not properly end dated and they continued receiving benefits. One case did not send timely notification of the need for the updated FL-2 until it was already past due. A case did not receive the Appendix E for the Special Assistance payment calculations until 5 months after the authorization date so payment continued based off of the original application, not the recertification. One case did not verify the age of the case participant until four months after the certification. One case did not run on-line verification for the child and did not have any verification in the file supporting US citizenship. Two cases contained errors in the calculation of household composition and household size. In a deductible case it was noted that the bills used to satisfy the ongoing deductible were for a month that was later approved for retroactive coverage of Medicaid however since the December bills were utilized to meet a deductible and then subsequently approved for payment under another case, that case would be ineligible. In one case, the eligibility check showed a different amount for unearned income than what was verified during the certification process and the decision was accepted by the caseworker. There were six cases that contained errors with vehicle verifications. Bank account verifications and recording of those accounts led to errors in seven cases. Three did not have the case's resource ownership properly documented in the records. One case did not enter the cash surrender value of life insurance into evidence of NCFast. Two case files entered the property as \$0.01 in evidence in NCFast instead of entering the actual value of the property owned. Finally, there were a total of 15 errors dealing with income verification / calculation.

Questioned Costs: There were \$45 in known errors. The known error rate projects or extrapolates to the entire population of claims paid for the year to an estimated \$302,268 in questioned costs for these cases. These questioned costs are for claims paid to beneficiaries and are not reported on the County's Schedule of Expenditures of Federal and State Awards. The claims are paid directly by the

**GRANVILLE COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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State of North Carolina to the providers or the beneficiaries. Beneficiary eligibility is determined by the county and claim eligibility is determined by the State. The claim payments are reported on the State's Schedule of Expenditures and Federal Awards only.

Context: Out of 852,224 Medicaid claims paid during the year, we tested the Medicaid certification of eligibility (initial application or recertification of eligibility) that related to the period that included the date of service for the claim being tested for 101 claims. The conditions noted above were noted in 33 of the 101 case files tested.

Effect: Case files not containing all required documentation result in a risk that the County could provide services to individuals not eligible to receive such services or that such individuals could be denied to eligible benefits. Upon notification of the missing documentation or the errors in calculations in the case files, the County was able to obtain documentation and provide corrected calculations to substantiate that the recipients tested were eligible to receive benefits in all but two cases and the related claims. Those claims totaled \$45.

Identification of a repeat finding: This is a repeat finding from previous audits, 2017-1, 2017-2, 2016-2, 2016-3, 2016-4, 2016-6, and 2016-7.

Cause: The County did not retain required documentation in case files at the time that eligibility was determined. The review performed by the caseworker was ineffective in determining that all required items were retained, that all calculations were accurate, and that all necessary information was entered into NCFast.

Recommendation: We recommend that the County train and monitor employees on the eligibility determination process, specifically those areas noted to have errors above. Files should be reviewed internally to ensure proper documentation is in place for eligibility. NCFast should be reviewed to determine that information gathered during the review is properly input into the system and that system driven calculations are utilizing the available information.

Views of responsible officials and planned corrective actions:

- The County will continue to train employees on a monthly basis and as needed when policies are received.
- The County will continue to hold weekly huddles and power meetings to discuss case issues and case due dates.
- Supervisors and lead workers will continue to conduct second party reviews focusing on the above-mentioned errors and appropriate documentation.
- Supervisors and lead workers will continue to use the Check List to ensure proper information is in NCFast to make an accurate and timely eligibility determination.

**US Department of Health and Human Services**

Passed-through the NC Dept. of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA #: 93.778

**GRANVILLE COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**Finding: 2019-2**

**SIGNIFICANT DEFICIENCY**

**DSS Crosscutting Requirements for Reporting**

Criteria: Employee daysheets should be completed timely so all time is included in the monthly Percentage of Time Report submitted to the State. All time included on the daysheets should be supported by documentation within the casefiles or other documentation maintained by the County.

Condition: We noted four instances in which the employee's daysheets could not be supported by documentation in the casefiles or other documentation maintained by the County.

Questioned Costs: None. Finding relates to reporting criteria.

Context: Out of the 40 days sheets tested, we noted four instances in which the employee's daysheets could not be supported by documentation in the casefiles or other documentation by the County. One of the daysheets did have documentation in the file on the previous day.

Effect: Time listed on the daysheets and therefore being included on the Percentage of Time Report that could not be supported as actually being performed could lead to overstatement of the time being reported for that month.

Cause: In one instance it was noted on the daysheet that a 2<sup>nd</sup> party review had taken place but there was no documentation of the 2<sup>nd</sup> party review in the file and no log maintained of 2<sup>nd</sup> party reviews. It is also noted that sometimes the review of evidence in NCFast does not create timestamps within the software to validate work being performed. There is also an ineffective review being performed on daysheets to determine that work claimed on daysheets is supported by documentation within the County files.

Recommendation: We recommend that employees ensure that there is support maintained in files to support the work performed and claimed on their time sheets. Always remember to maintain an audit trail and when not performing action items within NCFast that will create time stamps to make notes and maintain a log such as details in client contacts or other locations that notes can be written that states the actions that were done such as reviewed evidence, telephone calls made, etc. The County should implement a review process of the daysheets where a sample is taken monthly to review support for the time claimed on the daysheets to verify that employees are reporting time accurately and that required support is being maintained.

Views of responsible officials and planned corrective actions: Employees will be provided a refresher training on documentation of day sheets and making sure their documentation on Day Sheets matches the case files.

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**Section IV – State Award Findings and Questioned Costs**

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Program Name: Medical Assistance Program (Medicaid; Title XIX)  
CFDA # 93.778

SIGNIFICANT DEFICIENCY: Finding 2019-1 and 2019-2 also applies to State requirements and State Awards



# COUNTY OF GRANVILLE, NORTH CAROLINA

141 WILLIAMSBORO STREET, P.O. BOX 906, OXFORD, NORTH CAROLINA 27565

## CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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### Section II – Financial Statement Findings

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None noted.

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### Section III – Federal Award Findings and Questioned Costs

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**Finding: 2019-1**

Name of contact person: Ernestine S. Howard

Corrective Action: Monitoring of case files by Second Party Reviews and appropriate documentation to proper eligibility determination

Proposed Completion Date: June 30, 2020

**Finding: 2019-2**

Name of contact person: Ernestine S. Howard

Corrective Action: Documentation of Day Sheet Training

Proposed Completion Date: March 31, 2020

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### Section IV – State Award Findings and Questioned Costs

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Finding 2019-1 and 2019-2 also apply to State Awards.

**GRANVILLE COUNTY, NORTH CAROLINA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**Finding: 17-1**

Status: See Finding 2019-1.

**Finding: 17-2**

Status: See Finding 2019-1.

**Finding: 16-2**

Status: See Finding 19-1.

**Finding: 16-3**

Status: See Finding 19-1.

**Finding: 16-4**

Status: See Finding 19-1.

**Finding: 16-6**

Status: See Finding 19-1.

**Finding: 16-7**

Status: See Finding 19-1.

**Finding: 16-8**

Status: This finding has been corrected and all corrective actions have been implemented. Second party reviews are routine. Backlog is now caught up and the County is passing the State report card for local agencies.

**Finding: 15-1**

Status: See Finding 19-1.

**Finding: 15-5**

Status: See finding 19-1.

**Finding: 15-6**

Status: See finding 19-1.

**Finding: 15-8**

Status: See finding 19-1. While 19-1 is for a different program, the eligibility rules are basically the same and issues were encountered in the application of those rules.

**GRANVILLE COUNTY, NORTH CAROLINA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**Finding: 15-10**

Status: See finding 19-1. While 19-1 is for a different program, the eligibility rules are basically the same and issues were encountered in the application of those rules.

**Finding: 15-11**

Status: See finding 19-1.

**Finding: 14-1**

Status: See Finding 19-1.

**Finding: 14-6**

Status: See Finding 19-1.



**GRANVILLE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	STATE/ PASS-THROUGH GRANTOR'S NUMBER	FEDERAL (DIRECT & PASS- THROUGH) EXPENDITURES	STATE EXPENDITURES	PASSED-THROUGH TO SUBRECIPIENTS
<b>FEDERAL AWARDS:</b>					
<u>U.S. Dept. of Agriculture</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Administration:					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 576,186	\$ -	\$ -
Total U.S. Dept. of Agriculture			576,186	-	-
<u>U.S. Dept. of Justice</u>					
Bureau of Justice Assistance:					
Bulletproof Vest Partnership Program	16.607		2,264	-	-
Total U.S. Dept. of Justice			2,264	-	-
<u>U.S. Dept. of Transportation</u>					
Passed-through the N.C. Dept. of Transportation:					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51001.35.4.3 51001.7.3.3	133,664	16,708	-
Total U.S. Dept. of Transportation			133,664	16,708	-
<u>U.S. Dept. of Health &amp; Human Services</u>					
Passed-through Kerr-Tar Council of Governments:					
Division of Aging and Adult Services:					
National Family Caregiver Support, Title III, Part E	93.052		3,420	228	-
Social Services Block Grant-In Home Services	93.667		270,974	439	-
<u>Aging Cluster:</u>					
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044		185,776	10,928	-
Special Programs for the Aging-Title III, Part C-Nutrition Services:					
Congregate Nutrition	93.045		79,040	4,649	-
Home-Delivered Meals	93.045		35,133	2,067	-
Nutrition Services Incentive Program	93.053		23,489	-	-
Total Aging Cluster			323,438	17,644	-
Passed through Kerr-Tar Council of Governments:					
State Appropriations			-	17,821	-
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services					
<u>Foster Care and Adoption Cluster (Note 4 &amp; 5):</u>					
Foster Care-Title IV-E	93.658		223,129	30,897	-
Adoption Assistance	93.659		12,775	-	-
Total Foster Care and Adoption Cluster (Note 4)			235,904	30,897	-
Temporary Assistance for Needy Families:					
Temporary Assistance for Needy Families (TANF)	93.558		543,895	-	-
Child Support Enforcement	93.563		489,119	-	-
Refugee and Entrant Assistance	93.566		643	-	-
Promoting Safe and Stable Families	93.556		17,191	-	-
Family Support Payments to States_Assistance Payments	93.560		-	(14)	-
Low-Income Home Energy Assistance:					
Crisis Intervention Program	93.568		250,019	-	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645		18,022	-	-
Social Services Block Grant (SSBG):					
SSBG-Other Service and Training	93.667		-	22,947	-
Chafee Foster Care Independence Program	93.674		5,608	1,402	-
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Child Development and Early Education:					
Subsidized Child Care (Note 5)					
<u>Child Care Development Fund Cluster:</u>					
Division of Social Services:					
Child Care Development Mandatory and Match Fund - Administration	93.596		78,762	-	-
Total Subsidized Child Care (Note 4)			78,762	-	-
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Health Benefits:					
Division of Social Services:					

**GRANVILLE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	STATE/ PASS-THROUGH GRANTOR'S NUMBER	FEDERAL (DIRECT & PASS- THROUGH) EXPENDITURES	STATE EXPENDITURES	PASSED-THROUGH TO SUBRECIPIENTS
Administration:					
Medical Assistance Program (Note 5)	93.778		1,505,411	6,000	-
Total Medical Assistance Program			1,505,411	6,000	-
Division of Social Services					
Administration:					
Children's Health Insurance Program (Note 5)	93.767		57,621	-	-
Total Children's Health Insurance Program - N.C. Health Choice			57,621	-	-
Passed-through the N.C. Dept. of Insurance:					
Division of SHIIP:					
CDAP-State Health Insurance Assistance Program	93.324		4,105	-	-
MIPPA - Medicare Enrollment Assistance Grant	93.071		2,160	-	-
			6,265	-	-
Total U.S. Dept. of Health and Human Services			3,806,292	97,364	-
<u>U.S. Dept. of Homeland Security</u>					
Passed-through N.C. Dept. of Public Safety:					
Emergency Management Performance Grant	97.042		32,642	-	-
Emergency Management Operations Tier II Grant	N/A		-	967	-
Total U.S. Dept. of Homeland Security			32,642	967	-
Total federal awards			4,551,048	115,039	-
<b>STATE AWARDS:</b>					
<u>N.C. Dept. of Administration</u>					
Veterans Service			-	2,216	-
<u>N.C. Dept. of Cultural and Natural Resources</u>					
Division of State Library					
State Aid to Public Libraries			-	108,747	-
<u>N.C. Dept. of Agriculture and Consumer Services</u>					
Division of Soil and Water Conservation					
SWC - Administration			-	25,500	-
<u>N.C. Dept. of Health and Human Services</u>					
Division of Aging and Adult Services:					
Passed-through the Kerr-Tar Council of Governments:					
Home Delivered Meals, Access & In-Home and Supportive Services			-	148,767	-
Division of Social Services:					
Child Welfare/CPS			-	90,811	-
Energy Assistance			-	8,190	-
Incentive/Program Integrity			-	830	-
Smart Start			-	25,270	-
State Foster Home - Direct			-	10,001	-
SFHF Maximization - Direct			-	4,311	-
Total N.C. Dept. of Health and Human Services			-	288,180	-
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund					
Lottery Funds			-	539,245	-
<u>N.C. Dept. of Environmental Quality</u>					
Waste Red Trust Fund			-	18,687	-
Division of Waste Mangement					
Electronics Management			-	3,760	-
Total N.C. Dept. of Environmental Quality			-	22,447	-

**GRANVILLE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	STATE/ PASS-THROUGH GRANTOR'S NUMBER	FEDERAL (DIRECT & PASS- THROUGH) EXPENDITURES	STATE EXPENDITURES	PASSED-THROUGH TO SUBRECIPIENTS
<u>N.C. Dept. of Transportation</u>					
Rural Operating Assistance Program (ROAP) Cluster:					
ROAP Elderly and Disabled Transportation Assistance Program (EDTAP)		36220.10.8.1	-	75,900	59,119
ROAP Rural General Public Program (RGP)		36228.22.8.1	-	89,543	89,543
ROAP Work First Transitional-Employment		36236.11.7.1	-	2,083	-
Total Rural Operating Assistance Program (ROAP) Cluster			-	167,526	148,662
Total N.C. Dept. of Transportation			-	167,526	148,662
<u>N.C. Dept. of Commerce</u>					
N.C. Rural Economic Development Center					
Rural Infrastructure State Grant Funds			-	776,848	776,848
<u>N.C. Dept. of Public Safety</u>					
Juvenile Crime Prevention Programs			-	191,524	129,116
Total State awards			-	2,122,233	1,054,626
Total federal and State awards			\$ 4,551,048	\$ 2,237,272	\$ 1,054,626

**NOTES TO PRECEDING SCHEDULE OF FEDERAL AND STATE AWARDS:**

**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal and state awards (SEFSA) includes the federal and state grant activity of Granville County, North Carolina, under the programs of the federal government and the state of North Carolina for the year ended June 30, 2019. The information in this SEFSA is presented in accordance with the requirements of Title 2 *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Granville County, it is not intended to and does not present the financial position, changes in net position or cash flows of Granville County.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. Indirect Cost Rate**

Granville County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**4. CLUSTER OF PROGRAMS**

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

**5. Benefit Payments Issued by the State**

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. These amounts disclose this additional aid to

Program Title	CFDA No.	Federal	State
Supplemental Nutrition Assistance Program	10.551	\$ 8,585,656	\$ -
Temporary Assistance for Needy Families	93.558	265,913	-
AFDC Payments and Penalties	93.560	(52)	-
Adoption Assistance	93.659	197,795	48,613
Medical Assistance Program	93.778	43,125,687	22,200,585
Children's Health Insurance Program	93.767	1,465,461	(1)
Child Welfare Services Adoption		-	123,920
State / County Special Assistance Program		-	294,401