

REVIEWED

By SLGFD at 3:17 pm, Dec 22, 2021

ANNUAL FINANCIAL REPORT

GRANVILLE COUNTY



**FOR YEAR ENDED
JUNE 30, 2021**

Granville County

North Carolina

Annual Comprehensive Financial Report

For the Year Ended June 30, 2021



FINANCE DEPARTMENT
STEVE MCNALLY
FINANCE DIRECTOR

GRANVILLE COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2021
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INTRODUCTORY SECTION



County Of Granville, North Carolina

Post Office Box 1286, Oxford, North Carolina 27565

County Administration
(919) 693-5240

November 24, 2021

**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 Annual Comprehensive Financial Report (ACFR) of Granville County, North Carolina, for the fiscal year ended June 30, 2021, 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 ACFR 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 Thompson, Price, Scott, Adams & Co, P.A. 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, 2021 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, 2021 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, 2021. 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. However, the COVID-19 pandemic of 2020 resulted in limitations in business activity and an overall slowdown of the economy, which lead to increased unemployment throughout the State, as well as in Granville County. However, the unemployment rate for the State, as well as Granville County, has rebounded in FY 2021. As of June, 2021, the County is experiencing an unemployment rate of 4.1%, lower than the state average of 4.9%, according to Nov 2021 NC Department of Commerce Data.

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 300 private and governmental companies. Over 50,000 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 has been 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, 2020. This was the twenty second 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 annual comprehensive 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, Thompson, Price, Scott, Adams & Co, P.A. 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, NORTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2021

**Board of County
Commissioners**

Sue Hinman, Chairperson
Tony W. Cozart, Vice Chairperson
Zelodis Jay
David T. Smith
Russ May
Timothy Karan
Jimmy Gooch

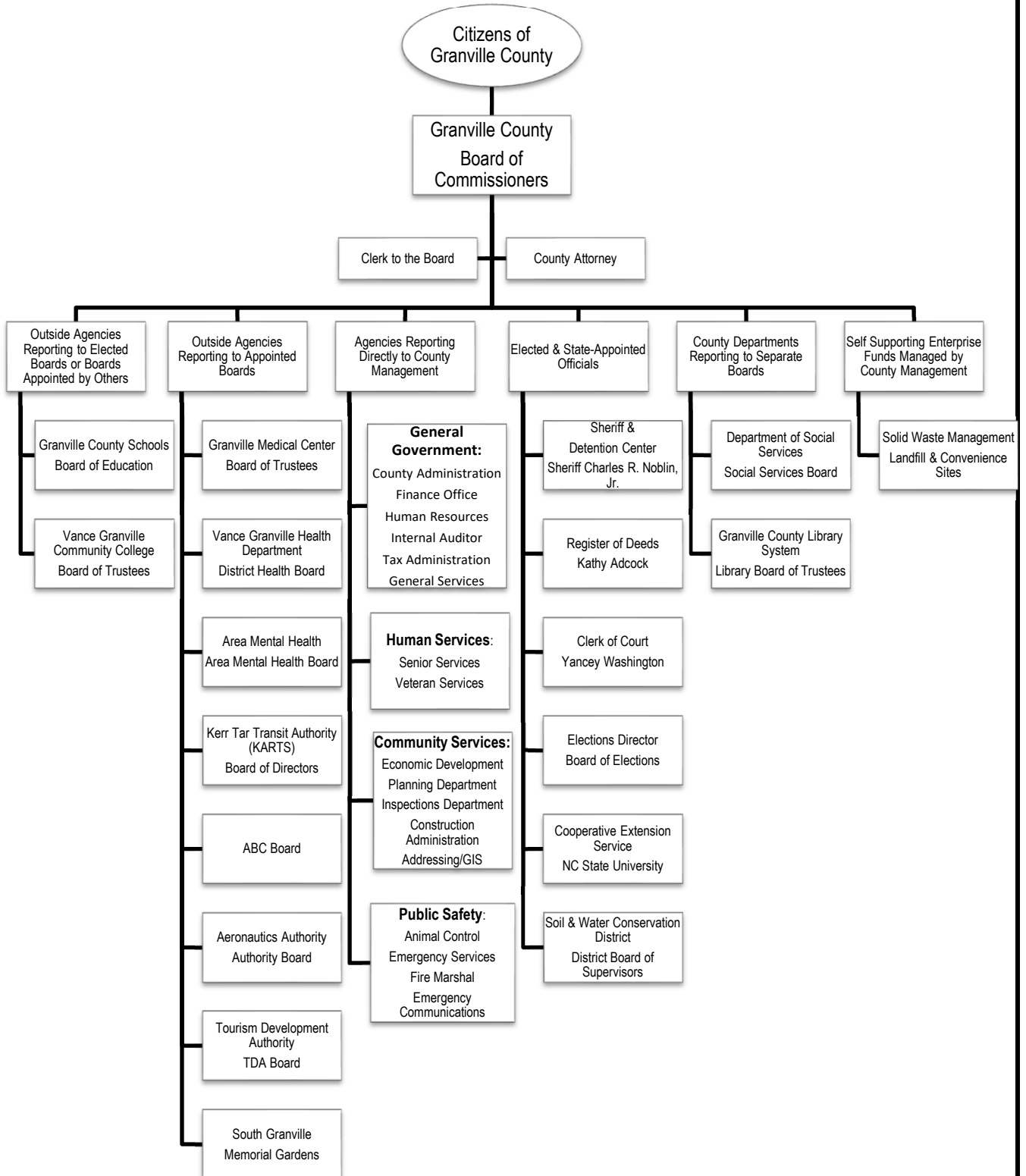
Debra A. Weary, Clerk to the Board

County Officials

| | |
|---------------------|---|
| Michael S. Felts | County Manager |
| Steve McNally | Finance Director |
| Jennifer Griffin | Tax Administrator |
| Kathy M. Taylor | Register of Deeds |
| Charles Noblin, Jr. | 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 | Director of Granville County Library System |
| Charissa Puryear | Director, Cooperative Extension |
| Angela Miles | Human Resources Director |
| Harry Mills | Economic Development Director |
| Raymond Allen | Parks/Grounds Director |
| Monique Heggie | Internal Auditor |
| Matt Katz | Animal Management Director |
| Trent Brummitt | Emergency Communications Director |
| Gary Bowen | Maintenance Director |
| Byron Currin | SCS District Administrator |
| Jason Reavis | Emergency Management Coordinator/Fire Marshal |
| Angela Allen | Director, Tourism Development Authority |
| Chris Brame | Network Administrator |

Granville County Government Organizational Chart

Granville County Government Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Granville County
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

Independent Auditor's Report

Management's Discussion & Analysis

Government-Wide Financial Statements

Fund Financial Statements

Notes to Financial Statements



Thompson, Price, Scott, Adams & Co, P.A.

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1626 S. Madison Street
Whiteville, NC 28472
Telephone (910) 642-2109
Fax (910) 642-5958**

**Alan W. Thompson, CPA
R. Bryon Scott, CPA
Gregory S. Adams, CPA**

INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Granville County
Oxford, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business--type activities, the aggregate 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, 2021, 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements bases 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. 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, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Granville County, North Carolina as of June 30, 2021, 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 System schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule 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, and the Other Postemployment Benefits schedules of Changes in the Net OPEB Liability and Related Ratios, County Contributions, and Investment Returns, 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 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 purpose 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 related 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 November 24, 2021 on our consideration of Granville County 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 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.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.

Whiteville, NC

November 24, 2021

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 of Granville County for the fiscal year ended June 30, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

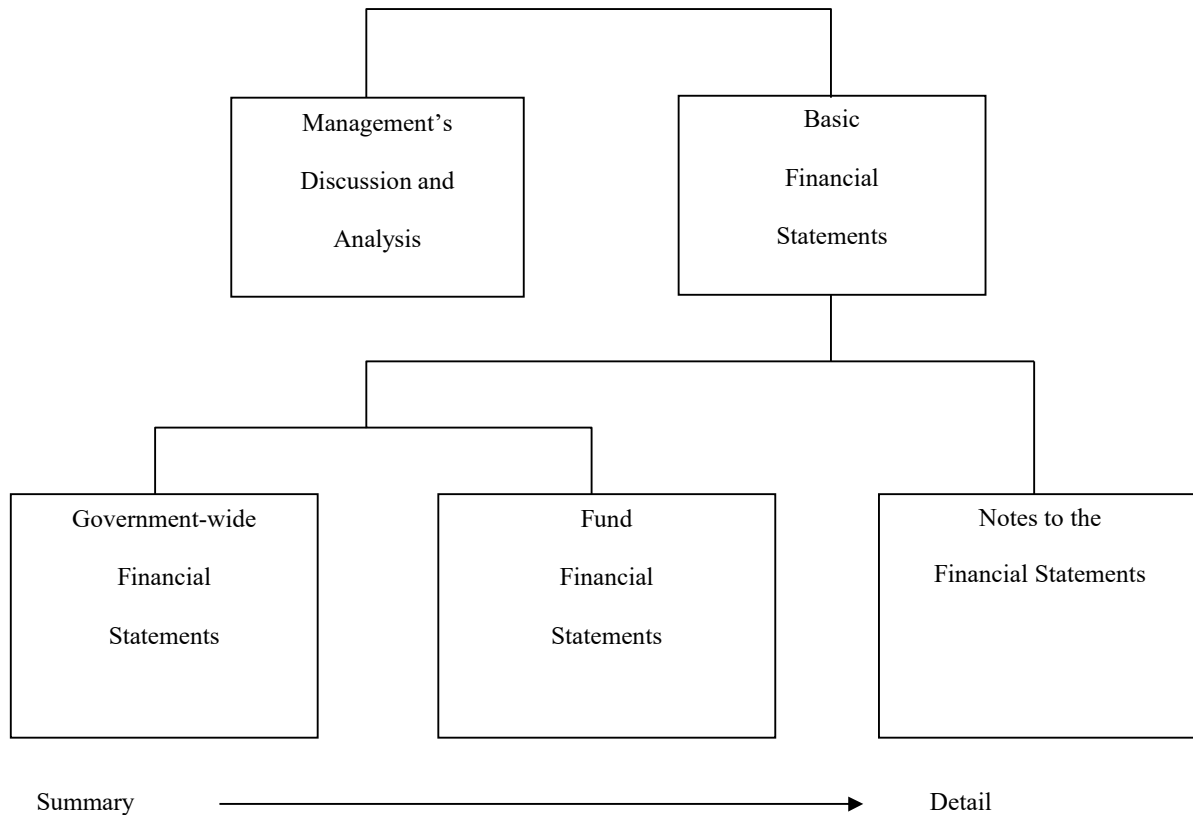
- The cash and cash equivalents (unrestricted) of the total primary government on the Statement of Net Position is \$52,341,393 which accounts for 37.18% of total primary government assets.
- The liabilities due in more than one year of \$122,044,818 account for 90.90% of total primary government liabilities.
- At the end of the current fiscal year, Granville County's governmental funds reported combined ending fund balances of \$51,684,906, after a net decrease of \$762,397. Approximately thirty-two percent (32%) of this total amount or \$16,558,441 is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$24,737,106, or 35.70 percent of total general fund expenditures for the fiscal year.
- Granville County's debt service for fiscal year 2021 accounts for 16.39% 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 can also be found in this part of the statements. Following the non-major governmental funds are the Enterprise Funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. After the Enterprise funds are the Custodial Funds. Custodial funds are used to account for assets held by the County as an agent for individuals and local governments. Following the Custodial funds are other schedules. These schedules contain additional information required on property taxes.

Government-wide Financial Statements

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

The two government-wide statements report the County's net position and how it has changed. Net position is the difference between the total of the County's assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. 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 and the discretely presented component units' basic services such as general government, public safety, transportation, economic and physical development, human services, cultural and education. Property taxes, sales taxes, and State and Federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These activities include water and sewer, and 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 other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of 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 resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net 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 maintains 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 its enterprise fund to account for its solid waste management function. This fund is the same as those functions 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. Granville County uses Internal Service Funds to account for its County Health Plan. Because this operation benefits predominantly governmental rather than business-type functions, the internal service fund has been included within 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 three fiduciary funds, all of which are Custodial 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 are in the financial section 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 and other postemployment benefits to its employees. This information can be found in the Required Supplementary Information section 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 \$13,785,537 as of June 30, 2021. The County's net position increased by \$8,597,033 for that same time period. The County also reported a restatement of beginning net position associated with the implementation of GASB 84. \$16,552,241 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. \$44,763,512 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 deficit balance \$(47,530,216) 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 | |
|--|------------------------------------|---------------|-------------------------------------|--------------|---------------|---------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Current and other assets | \$ 55,171,701 | \$ 57,465,278 | \$ 2,984,398 | \$ 3,138,309 | \$ 58,156,099 | \$ 60,603,587 |
| Capital assets | 77,608,973 | 75,147,371 | 5,035,252 | 5,051,519 | 82,644,225 | 80,198,890 |
| Total assets | 132,780,674 | 132,612,649 | 8,019,650 | 8,189,828 | 140,800,324 | 140,802,477 |
| Total deferred outflows of | 9,995,333 | 5,509,261 | 120,290 | 85,927 | 10,115,623 | 5,595,188 |
| Long-term liabilities outstanding | 124,154,160 | 126,164,799 | 7,160,981 | 7,228,257 | 131,315,141 | 133,393,056 |
| Other liabilities | 2,742,154 | 4,629,923 | 212,715 | 381,414 | 2,954,869 | 5,011,337 |
| Total liabilities | 126,896,314 | 130,794,722 | 7,373,696 | 7,609,671 | 134,270,010 | 138,404,393 |
| Total deferred inflows of resources | 2,823,939 | 2,916,970 | 36,461 | 57,503 | 2,860,400 | 2,974,473 |
| Net position: | | | | | | |
| Net investment in capital assets | 39,728,260 | 33,234,901 | 5,035,252 | 5,051,519 | 44,763,512 | 38,286,420 |
| Restricted | 16,552,241 | 17,440,115 | - | - | 16,552,241 | 17,440,115 |
| Unrestricted | (43,224,747) | (46,264,798) | (4,305,469) | (4,442,938) | (47,530,216) | (50,707,736) |
| Total net position | \$ 13,055,754 | \$ 4,410,218 | \$ 729,783 | \$ 608,581 | \$ 13,785,537 | \$ 5,018,799 |

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

- Property tax and other intergovernmental taxes increased \$3,472,373 over the previous year, indicative of an improving State economy.
- Repayment of debt obligations

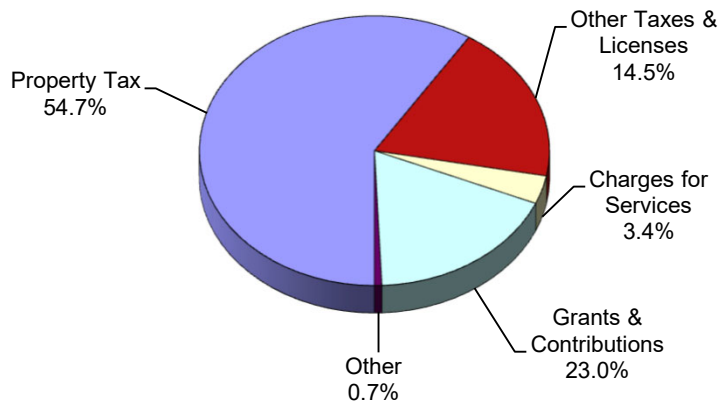
Granville County's Changes in Net Position
Figure 3

| | Governmental Activities | | Business-type Activities | | Total | |
|---|----------------------------|---------------------|-----------------------------|--------------------|----------------------|---------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 2,472,803 | \$ 2,249,420 | \$ 3,433,998 | \$ 3,366,179 | \$ 5,906,801 | \$ 5,615,599 |
| Operating grants and contributions | 12,123,493 | 9,450,998 | - | 25,500 | 12,123,493 | 9,476,498 |
| Capital grants and contributions | 963,240 | 682,086 | - | - | 963,240 | 682,086 |
| General revenues: | | | | | | |
| Property taxes | 43,106,425 | 41,224,580 | - | - | 43,106,425 | 41,224,580 |
| Other taxes | 13,813,014 | 12,222,476 | - | - | 13,813,014 | 12,222,476 |
| Other | 491,151 | 1,584,225 | 51,120 | 96,718 | 542,271 | 1,680,943 |
| Total revenues | <u>72,970,126</u> | <u>67,413,785</u> | <u>3,485,118</u> | <u>3,488,397</u> | <u>76,455,244</u> | <u>70,902,182</u> |
| Expenses: | | | | | | |
| General government | 9,008,968 | 9,081,170 | - | - | 9,008,968 | 9,081,170 |
| Public safety | 14,268,404 | 12,642,892 | - | - | 14,268,404 | 12,642,892 |
| Transportation | - | - | - | - | - | - |
| Economic and physical development | 196,631 | 98,607 | - | - | 196,631 | 98,607 |
| Human services | 13,359,859 | 11,967,293 | - | - | 13,359,859 | 11,967,293 |
| Community services | 4,303,671 | 4,366,584 | - | - | 4,303,671 | 4,366,584 |
| Education | 19,599,555 | 24,668,257 | - | - | 19,599,555 | 24,668,257 |
| Interest on long-term debt | 3,613,243 | 3,947,337 | - | - | 3,613,243 | 3,947,337 |
| Landfill | - | - | 3,306,328 | 207,496 | 3,306,328 | 207,496 |
| Other | - | - | 201,552 | 353,112 | 201,552 | 353,112 |
| Total expenses | <u>64,350,331</u> | <u>66,772,140</u> | <u>3,507,880</u> | <u>560,608</u> | <u>67,858,211</u> | <u>67,332,748</u> |
| Increase in net position before transfers and special items | 8,619,795 | 641,645 | (22,762) | 2,927,789 | 8,597,033 | 3,569,434 |
| Transfers and special items | - | - | - | - | - | - |
| Change in net position | 8,619,795 | 641,645 | (22,762) | 2,927,789 | 8,597,033 | 3,569,434 |
| Net position, beginning | 4,410,218 | 3,768,573 | 608,581 | (2,319,208) | 5,018,799 | 1,449,365 |
| Restatement | 25,741 | - | 143,964 | - | 169,705 | - |
| Net position, beginning, restated | <u>4,435,959</u> | <u>3,768,573</u> | <u>752,545</u> | <u>(2,319,208)</u> | <u>5,188,504</u> | <u>1,449,365</u> |
| Net position, ending | <u>\$ 13,055,754</u> | <u>\$ 4,410,218</u> | <u>\$ 729,783</u> | <u>\$ 608,581</u> | <u>\$ 13,785,537</u> | <u>\$ 5,018,799</u> |

Governmental activities. Governmental activities increased the County's net position by \$8,619,795 over the prior year. Key elements of this increase are as follows:

- Sales tax increased \$1,281,643 from the previous year, indicative of an improving State economy.
- Property tax collections increased by \$1,881,845.
- The County had several ongoing construction projects that resulted in the capitalization of expenses.
- Grants from the Coronavirus Relief Fund and other COVID relief grants totaled \$2,274,224.

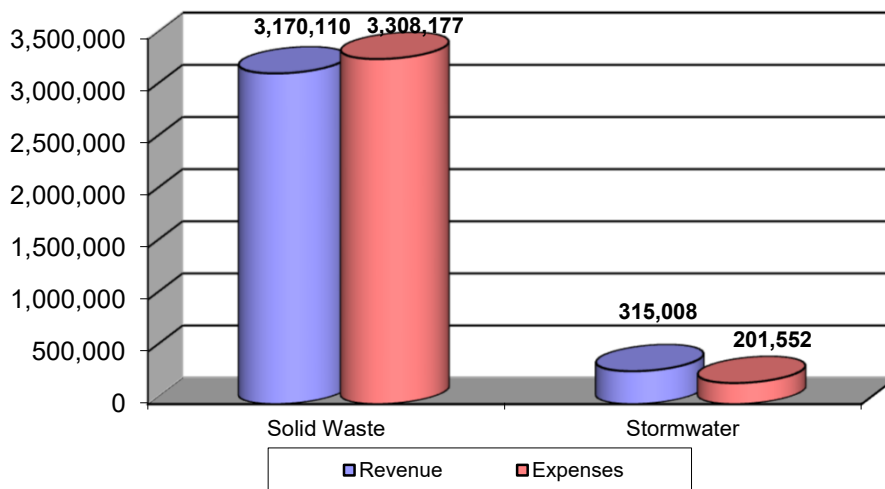
Governmental Activities Revenue Sources For Fiscal Year 2021



Business-type activities. Business-type activities decreased Granville County's net position by \$22,762 from the prior year. Key elements of this decrease are as follows:

- Landfill operation costs increased \$331,375 from the previous year.
- Expenditures decreased significantly from the previous year (\$2.7 million) due to a revision in closure/postclosure estimates for the Oxford MSW and C&D Landfills.

Fiscal Year 2020-2021 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. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Granville County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$24,737,106 while total fund balance reached \$45,693,486. The remainder of fund balance, \$20,956,380 is either nonspendable, 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 35.70 percent of total General Fund expenditures, while total fund balance represents 65.94 percent of that same amount.

At June 30, 2021, the governmental funds of Granville County reported a combined fund balance of \$51,684,906 a 1.46 percent decrease from last year. This decrease is due primarily to the expenditures associated with the Law Enforcement Center construction project (proceeds from loans were received in prior years).

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 \$6,298,120. 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.

Revenue variances were positive. The most favorable category was Sales Tax and Other Tax revenues, which exceeded budget \$1,790,358 or 15.03%. The County had taken a conservative approach in budgeting Sales Tax as a result of COVID. The Property Tax revenues increased \$1.8 million as a result of increased collection procedures and discoveries. Restricted Intergovernmental revenue was less than anticipated. In total, General Fund revenues came in higher than the budget by \$2,473,859, or 3.54%.

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 \$(4,780,486). The total net position for all proprietary funds is \$728,182. The total change in net position for the proprietary funds was a decrease of \$24,611. This change in net position is primarily due to the increase in expenditures in the Solid Waste Fund.

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 2020-2021 activity resulted in an increase in net position of \$176,098.

Capital Asset and Debt Administration

Capital Assets. Granville County's capital assets for its governmental and business-type activities as of June 30, 2021 totals \$82,516,305 (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 equipment for various departments.
- Purchases of Hunt Street Property.
- \$2,752,285 in construction in progress for the Law Enforcement Center and GAP Phase III Project.

**Granville County's Capital Assets
(net of depreciation)
Figure 4**

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------|----------------------------|----------------------|-----------------------------|---------------------|----------------------|----------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Land | \$ 8,291,666 | \$ 8,276,811 | \$ 1,020,695 | \$ 1,020,695 | \$ 9,312,361 | \$ 9,297,506 |
| Buildings | 12,416,127 | 12,916,721 | 237,795 | 123,538 | 12,653,922 | 13,040,259 |
| Improvements | 13,132,002 | 13,559,184 | 3,676,515 | 3,799,197 | 16,808,517 | 17,358,381 |
| Machinery and Equipment | 1,218,146 | 1,191,011 | - | - | 1,218,146 | 1,191,011 |
| Intangible Assets | 5,839,500 | 6,011,250 | - | - | 5,839,500 | 6,011,250 |
| Fixtures and Equipment | - | - | 100,247 | 108,089 | 100,247 | 108,089 |
| Construction in progress | 36,711,532 | 33,192,394 | - | - | 36,711,532 | 33,192,394 |
| Total | <u>\$ 77,608,973</u> | <u>\$ 75,147,371</u> | <u>\$ 5,035,252</u> | <u>\$ 5,051,519</u> | <u>\$ 82,644,225</u> | <u>\$ 80,198,890</u> |

Additional information on Granville County's capital assets can be found in the notes to the financial statements beginning on page 28 of this report.

Long-term Debt. At the end of fiscal year 2021, Granville County had total bonded debt outstanding of \$51,737,000, all of which is debt backed by the full faith and credit of the County.

**Granville County's Outstanding Debt
Figure 5**

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------------|----------------------------|-----------------------|-----------------------------|-------------|----------------------|-----------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| General obligation bonds | \$ 51,737,000 | \$ 51,038,000 | \$ - | \$ - | \$ 51,737,000 | \$ 51,038,000 |
| Plus: Premiums on issuance | 4,382,632 | 4,681,311 | - | - | 4,382,632 | 4,681,311 |
| Total General Obligation Bonds | 56,119,632 | 55,719,311 | - | - | 56,119,632 | 55,719,311 |
| Financing Agreements | 815,297 | 1,620,528 | - | - | 815,297 | 1,620,528 |
| Direct Placement Installment | 29,393,310 | 31,288,431 | - | - | 29,393,310 | 31,288,431 |
| Certificates of participation | 5,215,000 | 11,575,000 | - | - | 5,215,000 | 11,575,000 |
| Total Debt | <u>\$ 91,543,239</u> | <u>\$ 100,203,270</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 91,543,239</u> | <u>\$ 100,203,270</u> |

Granville County's total general obligation debt increased by \$699,000 (1.37 percent) during fiscal year 2020-2021 as a result of payments on the outstanding debt.

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 \$318,225,218, 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 28 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 June 2021 AccessNC report, the County is experiencing an unemployment rate of 5.9%, lower than the state average of 7.7%.
- Per Capita annual income in Granville County is approximately \$39,610.
- RiceWrap has received a \$312,500 Building Reuse Grant for plant expansion that will create 200 jobs.
- 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.
- Dill Air Control will receive a \$287,500 Building Reuse grant for expansion.
- Nugget will receive a \$460,000 CDBG grant that will help create 60 jobs over three years.

Additional information regarding economic factors is provided in the statistical section of the ACFR.

Budget Highlights for Fiscal Year Ending June 30, 2022

Governmental Activities

The tax base is projected to provide revenues of \$43,592,722 when calculated with the current collection percentage rate. The total projected assessed valuation for the County is \$5,230,907,631.

Budgeted expenditures for fiscal year 2021-2022 in the General Fund reflect an increase from the previous fiscal year budget of 9.8%. Major drivers for the increase include a 5% increase in health insurance, a 1.2% increase in the required employer retirement contribution, a pay and grade adjustment resulting in a \$1 million increase in payroll, a merit pay increase of \$549,000 and facility improvements of \$1.5 million.

The fiscal year 2021-2022 budget appropriates \$5,645,236 of available fund balance to balance the general fund budget. Total revenues, excluding appropriated fund balance, reflect a 6.1% increase from the previous year original budget. Budgeted revenue increases include property tax (up \$2.0 million), sales tax (up \$1.6 million), increased fee revenue (Up \$0.4 million).

Business Type Activities

The Storm Water Fund budget for FY 2021 reflects a 5% decrease from previous year's actual expenditures due to the anticipated reduction in fees from the Raftelis consulting group.

The Solid Waste Fund budget increased by \$411,000, roughly 15%. This was due to the anticipated landfill cell study and increase in capital outlays.

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

Granville County, North Carolina
Statement of Net Position
June 30, 2021

| | Primary Government | | | Discretely Presented Component Units | | | | | |
|--|-------------------------|--------------------------|---------------|--------------------------------------|----------------------------|--|----------------------------------|----------------------|--|
| | Governmental Activities | Business-type Activities | Total | Granville Health System | Granville County ABC Board | Granville County Tourism Development Authority | South Granville Memorial Gardens | Total Reporting Unit | |
| ASSETS | | | | | | | | | |
| Cash and cash equivalents | \$ 43,272,953 | \$ 3,120,615 | \$ 46,393,568 | \$ 20,623,439 | \$ 1,616,522 | \$ 412,415 | \$ 174,422 | \$ 69,220,366 | |
| Taxes receivable (net) | 789,787 | - | 789,787 | - | - | - | - | 789,787 | |
| Accrued interest receivable on taxes | 83,614 | - | 83,614 | - | - | - | - | 83,614 | |
| Accounts receivables (net) | 4,482,845 | 346,030 | 4,828,875 | 10,131,035 | - | - | 23,211 | 14,983,121 | |
| Due from primary governments | - | - | - | - | - | 24,567 | - | 24,567 | |
| Due from related party | - | - | - | 927,335 | - | - | - | 927,335 | |
| Inventories | - | - | - | 2,015,467 | 389,369 | - | 1,461 | 2,406,297 | |
| Prepaid items | 6,200 | - | 6,200 | 490,090 | 8,014 | - | - | 504,304 | |
| Internal balances | 482,247 | (482,247) | - | - | - | - | - | - | |
| Restricted assets: | | | | | | | | | |
| Cash and cash equivalents | 5,947,825 | - | 5,947,825 | - | - | - | 100,000 | 6,047,825 | |
| Assets whose use is limited | - | - | - | 4,908,623 | - | - | - | 4,908,623 | |
| Net pension asset | 106,230 | - | 106,230 | - | - | - | - | 106,230 | |
| Capital assets: | | | | | | | | | |
| Land, improvements, and construction in progress | 45,003,198 | 1,020,695 | 46,023,893 | 1,790,207 | 338,774 | - | 39,534 | 48,192,408 | |
| Other capital assets, net of depreciation | 32,605,775 | 4,014,557 | 36,620,332 | 29,632,042 | 923,362 | - | 33,476 | 67,209,212 | |
| Total capital assets | 77,608,973 | 5,035,252 | 82,644,225 | 31,422,249 | 1,262,136 | - | 73,010 | 115,401,620 | |
| Total assets | 132,780,674 | 8,019,650 | 140,800,324 | 70,518,238 | 3,276,041 | 436,982 | 372,104 | 215,403,689 | |
| DEFERRED OUTFLOWS OF RESOURCES | 9,995,333 | 120,290 | 10,115,623 | 4,370,496 | 172,243 | - | - | 14,658,362 | |
| LIABILITIES | | | | | | | | | |
| Accounts payable and accrued expenses | 2,035,807 | 212,715 | 2,248,522 | 6,132,491 | 384,190 | 2,862 | - | 8,768,065 | |
| Accrued interest payable | 681,780 | - | 681,780 | - | - | - | - | 681,780 | |
| Estimated third party payor settlements, Provider Relief Funds | - | - | - | 13,221,766 | - | - | - | 13,221,766 | |
| Due to component units | 24,567 | - | 24,567 | - | - | - | - | 24,567 | |
| Long-term liabilities: | | | | | | | | | |
| Due within one year: | | | | | | | | | |
| Bonds payable | 6,214,679 | - | 6,214,679 | - | - | - | - | 6,214,679 | |
| Notes and COPS payable | 1,883,612 | - | 1,883,612 | 911,338 | 33,776 | - | - | 2,828,726 | |
| Financing agreement payable | 815,297 | - | 815,297 | - | - | - | - | 815,297 | |
| Compensated absences | 348,876 | 7,859 | 356,735 | - | - | - | - | 356,735 | |
| Due in more than one year: | | | | | | | | | |
| Bonds payable | 49,904,953 | - | 49,904,953 | - | - | - | - | 49,904,953 | |
| Notes and COPS payable | 32,724,698 | - | 32,724,698 | 18,006,693 | - | - | - | 50,731,391 | |
| Accrued landfill closure and postclosure costs | - | 6,737,964 | 6,737,964 | - | - | - | - | 6,737,964 | |
| Compensated absences payable | 1,046,627 | 23,576 | 1,070,203 | 2,102,862 | - | - | - | 3,173,065 | |
| Total OPEB Liability | 22,022,987 | 294,592 | 22,317,579 | - | 547,145 | - | - | 22,864,724 | |
| Net pension liability - LGERS | 6,410,219 | 96,990 | 6,507,209 | 10,984,712 | 113,992 | - | - | 17,605,913 | |
| Total pension liability - LEOSSA | 2,782,212 | - | 2,782,212 | - | - | - | - | 2,782,212 | |
| Total long-term liabilities | 124,154,160 | 7,160,981 | 131,315,141 | 32,005,605 | 694,913 | - | - | 164,015,659 | |
| Total liabilities | 126,896,314 | 7,373,696 | 134,270,010 | 51,359,862 | 1,079,103 | 2,862 | - | 186,711,837 | |
| DEFERRED INFLOWS OF RESOURCES | 2,823,939 | 36,461 | 2,860,400 | 226,841 | 12,788 | - | 600 | 240,229 | |

Granville County, North Carolina
Statement of Net Position
June 30, 2021

| | Primary Government | | | Discretely Presented Component Units | | | | Total Reporting Unit |
|---|-------------------------|--------------------------|----------------------|--------------------------------------|----------------------------|--|----------------------------------|----------------------|
| | Governmental Activities | Business-type Activities | Total | Granville Health System | Granville County ABC Board | Granville County Tourism Development Authority | South Granville Memorial Gardens | |
| NET POSITION | | | | | | | | |
| Net investment in capital assets | 39,728,260 | 5,035,252 | 44,763,512 | 12,504,218 | 1,228,360 | - | 73,010 | 58,569,100 |
| Restricted for: | | | | | | | | |
| Stabilization by State Statute | 5,322,041 | - | 5,322,041 | - | - | 24,567 | 23,211 | 5,369,819 |
| Register of Deeds | 113,275 | - | 113,275 | - | - | - | - | 113,275 |
| Human Services | 1,568,327 | - | 1,568,327 | 654,137 | - | - | - | 2,222,464 |
| Education | 6,324,917 | - | 6,324,917 | - | - | - | - | 6,324,917 |
| Community Services | 282,673 | - | 282,673 | - | - | - | - | 282,673 |
| Public Safety | 2,941,008 | - | 2,941,008 | - | - | - | - | 2,941,008 |
| Working Capital | - | - | - | - | 179,758 | - | - | 179,758 |
| Cemetery Perpetual Care and Maintenance | - | - | - | - | - | - | 100,000 | 100,000 |
| Tourism Related Capital Development | - | - | - | - | - | 270,109 | - | 270,109 |
| Unrestricted (deficit) | (43,224,747) | (4,305,469) | (47,530,216) | 10,143,676 | 948,275 | 139,444 | 175,283 | (36,123,538) |
| Total net position | \$ <u>13,055,754</u> | \$ <u>729,783</u> | \$ <u>13,785,537</u> | \$ <u>23,302,031</u> | \$ <u>2,356,393</u> | \$ <u>434,120</u> | \$ <u>371,504</u> | \$ <u>40,249,585</u> |

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, 2021

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | | | | | |
|--|---------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|----------------|-------------------------|----------------------------|--|----------------------------------|----------------------|
| | | | | | Primary Government | | | Component Units | | | | |
| | | | | | | | | | Granville County ABC Board | Granville County Tourism Development Authority | South Granville Memorial Gardens | |
| Functions/Programs | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total | Granville Health System | Granville County ABC Board | Granville County Tourism Development Authority | South Granville Memorial Gardens | Total Reporting Unit |
| Primary government: | | | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | | | |
| General government | \$ 9,008,968 | \$ 582,862 | \$ 269,030 | \$ - | \$ (8,157,076) | \$ - | \$ (8,157,076) | \$ - | \$ - | \$ - | \$ - | \$ (8,157,076) |
| Public safety | 14,268,404 | 1,246,015 | 1,651,634 | - | (11,370,755) | - | (11,370,755) | - | - | - | - | (11,370,755) |
| Economic and physical development | 196,631 | 32,476 | 577,493 | 340,000 | 753,338 | - | 753,338 | - | - | - | - | 753,338 |
| Human services | 13,359,859 | 19,556 | 9,455,090 | - | (3,885,213) | - | (3,885,213) | - | - | - | - | (3,885,213) |
| Community services | 4,303,671 | 591,894 | 108,694 | - | (3,603,083) | - | (3,603,083) | - | - | - | - | (3,603,083) |
| Education | 19,599,555 | - | 61,552 | 623,240 | (18,914,763) | - | (18,914,763) | - | - | - | - | (18,914,763) |
| Interest on long-term debt | 3,613,243 | - | - | - | (3,613,243) | - | (3,613,243) | - | - | - | - | (3,613,243) |
| Total governmental activities | 64,350,331 | 2,472,803 | 12,123,493 | 963,240 | (48,790,795) | - | (48,790,795) | - | - | - | - | (48,790,795) |
| Business-type activities: | | | | | | | | | | | | |
| Solid Waste | 3,306,328 | 3,169,851 | - | - | - | (136,477) | (136,477) | - | - | - | - | (136,477) |
| Stormwater | 201,552 | 264,147 | - | - | - | 62,595 | 62,595 | - | - | - | - | 62,595 |
| Total business-type activities | 3,507,880 | 3,433,998 | - | - | - | (73,882) | (73,882) | - | - | - | - | (73,882) |
| Total primary government | \$ 67,858,211 | \$ 5,906,801 | \$ 12,123,493 | \$ 963,240 | (48,790,795) | (73,882) | (48,864,677) | - | - | - | - | (48,864,677) |
| Component Units: | | | | | | | | | | | | |
| Granville Health System | \$ 72,353,682 | \$ 69,775,998 | \$ - | \$ 605,810 | - | - | - | (1,971,874) | - | - | - | (1,971,874) |
| Granville County ABC Board | 4,291,740 | 4,673,705 | - | - | - | - | - | - | 381,965 | - | - | 381,965 |
| Granville County Tourism Development Authority | 191,943 | - | - | - | - | - | - | - | - | (191,943) | - | (191,943) |
| South Granville Memorial Gardens | 69,255 | 101,224 | - | - | - | - | - | - | - | - | 31,969 | 31,969 |
| Total component units | \$ 76,906,620 | \$ 74,550,927 | \$ - | \$ 605,810 | - | - | - | (1,971,874) | 381,965 | (191,943) | 31,969 | (1,749,883) |
| General revenues: | | | | | | | | | | | | |
| Taxes: | | | | | | | | | | | | |
| Property taxes, levied for general purpose | | | | | 43,106,425 | - | 43,106,425 | - | - | - | - | 43,106,425 |
| Local option sales tax | | | | | 10,644,304 | - | 10,644,304 | - | - | - | - | 10,644,304 |
| Other taxes | | | | | | | | | | | | |
| Medicaid hold harmless | | | | | 2,201,090 | - | 2,201,090 | - | - | - | - | 2,201,090 |
| Various other taxes | | | | | 967,620 | - | 967,620 | - | - | 220,406 | - | 1,188,026 |
| Investment earnings, unrestricted | | | | | 12,248 | 259 | 12,507 | 51,807 | 4,814 | 87 | 30 | 69,245 |
| Miscellaneous, unrestricted | | | | | 478,903 | 50,861 | 529,764 | 6,861,115 | - | 25,750 | - | 7,416,629 |
| Transfers | | | | | - | - | - | - | - | - | - | - |
| Total general revenues, special items, and transfers | | | | | 57,410,590 | 51,120 | 57,461,710 | 6,912,922 | 4,814 | 246,243 | 30 | 64,625,719 |
| Change in net position | | | | | 8,619,795 | (22,762) | 8,597,033 | 4,941,048 | 386,779 | 54,300 | 31,999 | 14,011,159 |
| Net position-beginning | | | | | 4,410,218 | 608,581 | 5,018,799 | 18,360,983 | 1,969,614 | 379,820 | 339,505 | 26,068,721 |
| Restatement | | | | | 25,741 | 143,964 | 169,705 | - | - | - | - | 169,705 |
| Net position-beginning, restated | | | | | 4,435,959 | 752,545 | 5,188,504 | 18,360,983 | 1,969,614 | 379,820 | 339,505 | 26,238,426 |
| Net position-ending | | | | | \$ 13,055,754 | \$ 729,783 | \$ 13,785,537 | \$ 23,302,031 | \$ 2,356,393 | \$ 434,120 | \$ 371,504 | \$ 40,249,585 |

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

Granville County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2021

| | Major | Non-Major | |
|---|----------------------|---------------------------|---------------------------------|
| | | Other | |
| | General Fund | Governmental Funds | Total Governmental Funds |
| ASSETS | | | |
| Cash and cash equivalents | \$ 36,233,374 | \$ 6,476,733 | \$ 42,710,107 |
| Restricted cash | 5,947,825 | - | 5,947,825 |
| Taxes Receivable - net | 789,787 | - | 789,787 |
| Accounts Receivable - net | 4,447,923 | 34,922 | 4,482,845 |
| Due from other funds | 839,196 | - | 839,196 |
| Prepaid items | 6,200 | - | 6,200 |
| Total assets | <u>\$ 48,264,305</u> | <u>\$ 6,511,655</u> | <u>\$ 54,775,960</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND | | | |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 1,737,937 | \$ 164,887 | \$ 1,902,824 |
| Due to other funds | - | 355,348 | 355,348 |
| Due to component unit | 24,567 | - | 24,567 |
| Total liabilities | <u>1,762,504</u> | <u>520,235</u> | <u>2,282,739</u> |
| Deferred inflows of resources | <u>808,315</u> | <u>-</u> | <u>808,315</u> |
| Fund balances: | | | |
| Non-Spendable: | | | |
| Prepaid assets | 6,200 | - | 6,200 |
| Restricted: | | | |
| Stabilization by State statue | 5,287,119 | 34,922 | 5,322,041 |
| Register of Deeds | 113,275 | - | 113,275 |
| Human Services | 1,484,280 | 84,047 | 1,568,327 |
| Education | 3,585,238 | 2,739,679 | 6,324,917 |
| Community Services | - | 282,673 | 282,673 |
| Public Safety | - | 2,941,008 | 2,941,008 |
| Committed: | | | |
| Tax Revaluation | 317,698 | - | 317,698 |
| Public Safety | 447,334 | - | 447,334 |
| Assigned: | | | |
| Subsequent year's expenditures | 5,645,236 | - | 5,645,236 |
| 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: | 24,737,106 | (90,909) | 24,646,197 |
| Total fund balances | <u>45,693,486</u> | <u>5,991,420</u> | <u>51,684,906</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 48,264,305</u> | <u>\$ 6,511,655</u> | <u>\$ 54,775,960</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 Fund
June 30, 2021

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

| | |
|---|----------------------|
| Total Fund Balance - Governmental Funds | \$ 51,684,906 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (total capital assets on government-wide statement in governmental activities column) | 77,608,973 |
| Net pension asset | 106,230 |
| 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 | 2,043,798 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds | 83,614 |
| Deferred charges related to advance refunding bond issued – included on government-wide statement of net position but are not current financial resources. | 668,709 |
| Deferred inflows of resources for taxes and special assessments receivable | 789,787 |
| 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 | 429,863 |
| Consolidation adjustment for internal balances between the internal service fund and the governmental funds | (1,601) |
| Pension and OPEB related deferrals | 4,477,415 |
| 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 fund statements. | (124,835,940) |
| Net position of governmental activities | <u>\$ 13,055,754</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 Balance
Governmental Funds
For the Year Ended June 30, 2021

| | <u>Major</u> | <u>Non-Major</u> | |
|---|----------------------|---------------------|----------------------|
| | | <u>Other</u> | |
| | <u>General Fund</u> | <u>Governmental</u> | <u>Total</u> |
| | | <u>Funds</u> | <u>Governmental</u> |
| | | | <u>Funds</u> |
| REVENUES | | | |
| Ad valorem taxes | \$ 43,258,583 | \$ - | \$ 43,258,583 |
| Sales and other taxes | 13,702,108 | 6,706 | 13,708,814 |
| Licenses, fees and other revenues | 2,573,203 | 32,476 | 2,605,679 |
| Restricted intergovernmental revenues | 10,237,976 | 3,178,514 | 13,416,490 |
| Investment earnings | 11,852 | 396 | 12,248 |
| Miscellaneous | 135,158 | 3,952 | 139,110 |
| Total revenues | <u>69,918,880</u> | <u>3,222,044</u> | <u>73,140,924</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 4,840,572 | 134,378 | 4,974,950 |
| Public safety | 12,477,601 | 525,160 | 13,002,761 |
| Community Services | 4,896,040 | 20,458 | 4,916,498 |
| Human Services | 10,530,181 | 2,160,079 | 12,690,260 |
| Non-Departmental & Special Areas | 3,507,473 | - | 3,507,473 |
| Capital Outlay | - | 2,752,285 | 2,752,285 |
| Intergovernmental: | | | |
| Education | 19,190,168 | 409,387 | 19,599,555 |
| Debt service: | | | |
| Principal | 8,556,352 | - | 8,556,352 |
| Interest | 3,784,515 | - | 3,784,515 |
| Total expenditures | <u>67,782,902</u> | <u>6,001,747</u> | <u>73,784,649</u> |
| Revenues over expenditures | <u>2,135,978</u> | <u>(2,779,703)</u> | <u>(643,725)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers from other funds | 446,317 | 881,103 | 1,327,420 |
| Transfers to other funds | (1,510,420) | - | (1,510,420) |
| Issuance of refunded debt | 6,060,000 | - | 6,060,000 |
| Payment to refunded bond escrow agent | (5,995,672) | - | (5,995,672) |
| Total other financing sources and uses | <u>(999,775)</u> | <u>881,103</u> | <u>(118,672)</u> |
| Net change in fund balance | 1,136,203 | (1,898,600) | (762,397) |
| Fund balances, beginning, as previously reported | 44,557,283 | 7,720,315 | 52,277,598 |
| Prior period restatement - change in accounting principle | - | 169,705 | 169,705 |
| Fund balances, beginning, as restated | <u>44,557,283</u> | <u>7,890,020</u> | <u>52,447,303</u> |
| Fund balances, ending | <u>\$ 45,693,486</u> | <u>\$ 5,991,420</u> | <u>\$ 51,684,906</u> |

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 Balance of Governmental Funds
To The Statement of Activities
For the Year Ended June 30, 2021

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

| | |
|--|---------------------|
| Net changes in fund balances - total governmental funds | \$ (762,397) |
| 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. | 2,461,602 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds | (152,158) |
| 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 items. | 8,660,031 |
| 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 | 2,043,798 |
| 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 | 174,249 |
| 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. | (3,805,330) |
| Total changes in net position of governmental activities | <u>\$ 8,619,795</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, 2021

| | General Fund | | | Variance With Final Positive (Negative) |
|--|--------------------|--------------------|----------------------|--|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Ad valorem taxes | \$ 41,499,658 | \$ 41,499,658 | \$ 43,258,583 | \$ 1,758,925 |
| Sales and other taxes | 11,801,750 | 11,911,750 | 13,702,108 | 1,790,358 |
| Licenses, fees and other revenues | 2,427,250 | 2,520,000 | 2,573,203 | 53,203 |
| Restricted intergovernmental revenues | 9,017,183 | 10,882,805 | 10,237,976 | (644,829) |
| Investment earnings | 500,000 | 510,000 | 11,852 | (498,148) |
| Miscellaneous | 95,000 | 95,000 | 135,158 | 40,158 |
| Total revenues | <u>65,340,841</u> | <u>67,419,213</u> | <u>69,918,880</u> | <u>2,499,667</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 4,593,577 | 5,274,627 | 4,840,572 | 434,055 |
| Public safety | 12,153,453 | 13,427,364 | 12,477,601 | 949,763 |
| Community services | 4,583,739 | 5,900,281 | 4,896,040 | 1,004,241 |
| Human services | 11,075,487 | 11,542,163 | 10,530,181 | 1,011,982 |
| Non-departmental and special areas | 3,816,561 | 4,639,775 | 3,507,473 | 1,132,302 |
| Education | 19,028,306 | 19,246,336 | 19,190,168 | 56,168 |
| Contingency | 290,000 | 10,960 | - | 10,960 |
| Debt Service | 12,755,055 | 13,006,198 | 12,340,867 | 665,331 |
| Total expenditures | <u>68,296,178</u> | <u>73,047,704</u> | <u>67,782,902</u> | <u>5,264,802</u> |
| Revenues over (under) expenditures | <u>(2,955,337)</u> | <u>(5,628,491)</u> | <u>2,135,978</u> | <u>7,764,469</u> |
| Other financing sources (uses): | | | | |
| Transfers from other funds | - | 436,464 | 446,317 | 9,853 |
| Transfers to other funds | - | (1,546,594) | (1,510,420) | 36,174 |
| Proceeds from refunded debt | - | 6,060,000 | 6,060,000 | - |
| Payment to refunded bond escrow agent | - | (5,865,000) | (5,995,672) | (130,672) |
| Appropriated Fund Balance | 2,955,337 | 6,543,621 | - | (6,543,621) |
| Total other financing sources (uses) | <u>2,955,337</u> | <u>5,628,491</u> | <u>(999,775)</u> | <u>(6,628,266)</u> |
| Revenues and Other Financing Sources over expenditures and other financing uses | <u>\$ -</u> | <u>\$ -</u> | <u>1,136,203</u> | <u>\$ 1,136,203</u> |
| Fund balances: | | | | |
| Beginning of year, July 1 | | | <u>44,557,283</u> | |
| End of year, June 30 | | | <u>\$ 45,693,486</u> | |

Granville County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2021

| | Enterprise Funds | | | Internal Service Fund |
|---|------------------------|-----------------|--------------|--------------------------|
| | Major | Non-Major | | Non-Major Fund |
| | Solid Waste Management | Stormwater Fund | Total | County Health Plan Funds |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 2,651,503 | \$ 469,112 | \$ 3,120,615 | \$ 562,846 |
| Accounts receivable (net) | 312,110 | 33,920 | 346,030 | - |
| Total current assets | 2,963,613 | 503,032 | 3,466,645 | 562,846 |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Land, improvements and construction in progress | 1,020,695 | - | 1,020,695 | - |
| Other capital assets, net of depreciation | 4,014,557 | - | 4,014,557 | - |
| Total capital assets | 5,035,252 | - | 5,035,252 | - |
| Total noncurrent assets | 5,035,252 | - | 5,035,252 | - |
| Total assets | 7,998,865 | 503,032 | 8,501,897 | 562,846 |
| DEFERRED OUTFLOWS OF RESOURCES | 120,290 | - | 120,290 | - |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION | | | | |
| Current liabilities: | | | | |
| Accounts Payable | 171,392 | 29,616 | 201,008 | 132,983 |
| Accrued Salaries and Benefits | 11,707 | - | 11,707 | - |
| Due to Other Funds | 483,848 | - | 483,848 | - |
| Compensated absences payable | 7,859 | - | 7,859 | - |
| Total current liabilities | 674,806 | 29,616 | 704,422 | 132,983 |
| Noncurrent liabilities: | | | | |
| Net pension liability | 96,990 | - | 96,990 | - |
| Accrued landfill closure and postclosure care costs | 4,421,793 | - | 4,421,793 | - |
| Accrued landfill closure and postclosure care costs - Corrective Action | 2,316,171 | - | 2,316,171 | - |
| Total OPEB Liability | 294,592 | - | 294,592 | - |
| Compensated absences payable | 23,576 | - | 23,576 | - |
| Total noncurrent liabilities | 7,153,122 | - | 7,153,122 | - |
| Total liabilities | 7,827,928 | 29,616 | 7,857,544 | 132,983 |
| DEFERRED INFLOWS OF RESOURCES | 36,461 | - | 36,461 | - |
| NET POSITION | | | | |
| Net investment in capital assets | 5,035,252 | - | 5,035,252 | - |
| Unrestricted | (4,780,486) | 473,416 | (4,307,070) | 429,863 |
| Total net position | \$ 254,766 | \$ 473,416 | 728,182 | \$ 429,863 |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | 1,601 | |
| Net position of business-type activities | | | \$ 729,783 | |

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, 2021

| | Enterprise Funds | | | Internal Service |
|---|-------------------|-------------------|--------------------|-------------------|
| | Major | Non-Major | | Non-major Fund |
| | Solid | | | County |
| | Waste | Stormwater | | Health Plan |
| | Management | Fund | Total | Fund |
| Operating Revenues: | | | | |
| Restricted intergovernmental revenue | \$ - | \$ - | \$ - | \$ - |
| Charge for services | 3,169,851 | 264,147 | 3,433,998 | 3,241,263 |
| Miscellaneous | - | 50,861 | 50,861 | - |
| Total operating revenues | <u>3,169,851</u> | <u>315,008</u> | <u>3,484,859</u> | <u>3,241,263</u> |
| Operating Expenses: | | | | |
| Landfill closure and postclosure | 81,615 | - | 81,615 | - |
| Solid waste operations | 1,238,554 | - | 1,238,554 | - |
| Landfill operations | 1,851,185 | - | 1,851,185 | - |
| Stormwater operations | - | 201,552 | 201,552 | - |
| Depreciation | 136,823 | - | 136,823 | - |
| Health insurance administration | - | - | - | 3,248,165 |
| Total operating expenses | <u>3,308,177</u> | <u>201,552</u> | <u>3,509,729</u> | <u>3,248,165</u> |
| Operating income (loss) | <u>(138,326)</u> | <u>113,456</u> | <u>(24,870)</u> | <u>(6,902)</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Interest and fees | - | - | - | - |
| Interest earned on investments | 259 | - | 259 | - |
| Total Nonoperating Revenues(Expenses) | <u>259</u> | <u>-</u> | <u>259</u> | <u>-</u> |
| Income (loss) before contributions and transfers | <u>(138,067)</u> | <u>113,456</u> | <u>(24,611)</u> | <u>(6,902)</u> |
| Capital contributions | - | - | - | - |
| Transfers from other funds | - | - | - | 183,000 |
| Change in net position | <u>(138,067)</u> | <u>113,456</u> | <u>(24,611)</u> | <u>176,098</u> |
| Net Position, beginning, as previously reported | 392,833 | 215,996 | 608,829 | 253,765 |
| Restatement (See Note IX) | - | 143,964 | 143,964 | - |
| Net position, beginning, as restated | <u>392,833</u> | <u>359,960</u> | <u>752,793</u> | <u>253,765</u> |
| Net Position, ending | <u>\$ 254,766</u> | <u>\$ 473,416</u> | <u>728,182</u> | <u>\$ 429,863</u> |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | <u>1,849</u> | |
| Change in net position of business-type activities | | | <u>\$ (22,762)</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, 2021

| | Major Fund Enterprise Fund | Non-Major Fund Enterprise Fund | Totals June 30, 2021 | Non-Major Fund Internal Service Fund County Health Plan Fund |
|---|----------------------------------|--------------------------------------|----------------------------|---|
| | Solid Waste Management | Stormwater Fund | | |
| Cash flows from operating activities: | | | | |
| Cash received from customers | \$ 3,166,843 | \$ 313,267 | \$ 3,480,110 | \$ 3,241,263 |
| Cash paid for goods and services | (2,999,579) | (200,394) | (3,199,973) | (3,270,420) |
| Cash paid to employees for services | (320,350) | - | (320,350) | - |
| Net cash provided (used) by operating activities | (153,086) | 112,873 | (40,213) | (29,157) |
| Cash flows from capital and related financing activities: | | | | |
| Acquisition and construction of capital assets | (120,556) | - | (120,556) | - |
| Increase in due to other funds | - | - | - | - |
| Net cash provided by capital and related financing activities | (120,556) | - | (120,556) | - |
| Cash flows from noncapital financing activities | | | | |
| Transfer-in | - | - | - | 183,000 |
| Net cash provided (used) by noncapital financial activities | - | - | - | 183,000 |
| Cash flows from investing activities: | | | | |
| Interest on investments | 259 | - | 259 | - |
| Net cash flows from investing activities | 259 | - | 259 | - |
| Net increase (decrease) in cash and cash equivalents | (273,383) | 112,873 | (160,510) | 153,843 |
| Cash and cash equivalents, July 1 | 2,924,886 | 356,239 | 3,281,125 | 409,003 |
| Cash and cash equivalents, June 30 | \$ 2,651,503 | \$ 469,112 | \$ 3,120,615 | \$ 562,846 |

Granville County, North Carolina
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2021

| Reconciliation of operating income to net cash provided by operating activities: | <u>Major Solid Waste Management</u> | <u>Non-Major Stormwater Fund</u> | <u>Totals June 30, 2021</u> | <u>Governmental Activities Internal Service Funds</u> |
|---|---|--|-------------------------------------|---|
| Operating income (loss) | \$ (138,326) | \$ 113,456 | \$ (24,870) | \$ (6,902) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation | 136,823 | - | 136,823 | - |
| Changes in assets and liabilities: | | | | |
| (Increase) decrease in accounts receivable | (3,008) | (1,741) | (4,749) | - |
| (Increase) decrease in prepaid expenses | - | - | - | - |
| (Increase) Decrease in deferred inflows of resources - pensions | (13,826) | - | (13,826) | - |
| (Increase) Decrease in deferred inflows of resources - OPEB | (43,333) | - | (43,333) | - |
| Increase (decrease) in accounts payable and accrued liabilities | (171,396) | 3,491 | (167,905) | (22,255) |
| Increase (decrease) in accrued salaries | 1,538 | (2,333) | (795) | - |
| Increase (decrease) in deferred outflows of resources-pensions | - | - | - | - |
| Increase (decrease) in deferred outflows of resources-OPEB | (1,302) | - | (1,302) | - |
| Increase (decrease) in total OPEB liability | 53,205 | - | 53,205 | - |
| Increase (decrease) in net pension liability | 27,227 | - | 27,227 | - |
| Increase (decrease) in compensated absences payable | (81) | - | (81) | - |
| Increase (decrease) in landfill closure and postclosure costs | (607) | - | (607) | - |
| Total adjustments | <u>(14,760)</u> | <u>(583)</u> | <u>(15,343)</u> | <u>(22,255)</u> |
| Net cash provided (used) by operating activities | <u>\$ (153,086)</u> | <u>\$ 112,873</u> | <u>\$ (40,213)</u> | <u>\$ (29,157)</u> |

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

Granville County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2021

| | Custodial Funds |
|---|-----------------------|
| ASSETS | |
| Cash and investments | \$ 149,820 |
| Taxes receivable for other governments, net | 219,571 |
| Total Assets | <u>\$ 369,391</u> |
| LIABILITIES | |
| Accounts payable | \$ - |
| Due to other governments | - |
| Total liabilities | <u>-</u> |
| NET POSITION | |
| Restricted for: | 369,391 |
| Individuals, organizations, and other governments | <u>\$ 369,391</u> |
| Total fiduciary net position | <u><u>369,391</u></u> |

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

Granville County, North Carolina
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2021

| | Custodial Funds |
|---|--------------------------|
| ADDITIONS | |
| Ad valorem taxes for other governments | \$ 9,911,803 |
| Collections on behalf of inmates | 240,870 |
| Evidence receipts | 2,166 |
| Execution receipts | 26,241 |
| Total additions | <u>10,181,080</u> |
| DEDUCTIONS | |
| Tax distributions to other governments | 9,867,753 |
| Payments on behalf of inmates | 229,236 |
| Evidence Disbursements | 5,018 |
| Execution Disbursements | 26,517 |
| Total deductions | <u>10,128,524</u> |
| Net increase (decrease) in fiduciary net position | 52,556 |
| Net position, beginning, as previously reported | - |
| Prior period restatement - change in accounting principle | <u>316,835</u> |
| Net position, beginning, as restated | <u>316,835</u> |
| Net position, ending | <u><u>\$ 369,391</u></u> |

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 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

The County's four discretely presented component units described below are reported in separate combining government-wide financial statements.

- **Granville Health System**

Granville Health System (the "System") is a public System. The County appoints the board of trustees for the System. The County has also issued general obligation bonds for improvement of the System's facilities and makes periodic appropriations to the System to defray the costs of indigent care. The System, 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 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, 2021, 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, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

● 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. 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 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 displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

Enterprise Funds - 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.

Internal Service Funds - 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.

Fiduciary Funds - include the following fund type:

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Municipal Tax Fund, which accounts for ad valorem and vehicle property taxes that are billed and collected by the County for various municipalities within the County but are not revenues to the County; the Jail Inmate Pay Fund, which holds cash deposits made to inmates as payment for work performed while incarcerated as well as cash collections for the benefit of inmates from their friends and families; and the Sheriff Evidence and Execution account which holds special Sheriff Funds.

Non-Major Funds - The County maintains fourteen legally budgeted funds. The Emergency Telephone System Fund, the R. H. Thornton Library Memorial Fund, Coronavirus Relief, CARES/HAVA Election Grant, Sheriff Special Account, and Representative Payee Funds are reported as non-major special revenue funds. The Granville Greenway Project Fund, the Falls Meadow/Montgomery Place Project Fund, the GAP Phase III Project Fund, the School Repair Project Fund, and the Law Enforcement Center Fund are reported as capital projects funds. The Stormwater Fund is the only enterprise fund that is a non-major fund.

C. Measurement Focus, Basis of Accounting

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. 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.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 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, Coronavirus Relief Fund, CARES/HAVA Election Grant Fund, Sheriff Special Account, Representative Payee 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 GAP Phase III Project Fund, and the School Repair Project Fund.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 System, 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 System, the ABC Board, the Tourism Development 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 System, 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 System, the ABC Board, the Tourism Development Authority, and the Memorial Garden's investments with a maturity of more than one year at acquisition and nonmoney market investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT, which consists of two SEC-registered funds, is authorized by G.S. 159-30(c)(8). One of these funds, the Government Portfolio, is a 2a7 fund which invests in treasuries and government agencies and is rated AAAm by S&P and AAmf by Moody Investor Services. The Government Portfolio is 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.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

Governmental Activities

| | | |
|-------------------------------|---|---------------------|
| General Fund | Tax Revaluation | \$ 317,698 |
| General Fund | Register of Deeds | 113,275 |
| General Fund | Proceeds from hospital loan | 922,152 |
| General Fund | Reserve for hospital USDA loan | 562,128 |
| General Fund | Sinking fund set aside for debt payment | 3,585,238 |
| General Fund | Public safety forfeiture funds | <u>447,334</u> |
| Total Governmental Activities | | <u>\$ 5,947,825</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. These taxes are based on the assessed values as of January 1, 2020. 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 System, the ABC Board, and the Memorial Gardens are valued at cost (first-in, first-out), which approximates market. The inventory of the System, 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 System, 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 after July 1, 2015 and capital assets received in a service concession 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.

GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 System 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:

| | <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 and Equipment | 5-10 Years |
| Vehicles | 6 Years |
| Computer, etc. | 3 Years |
| Land Improvements | 15 Years |

For the System, 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 OPEB related deferrals. 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 three items that meets the criterion for this category – prepaid taxes, other pension related deferrals, and other OPEB related deferrals.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 System, 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 System statements. The County's liability for accumulated earned vacation and the salary-related payments as of June 30, 2021 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.

The sick leave policies of the County, the System, 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 System 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.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

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 Board of Commissioners has assigned.

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.

**GRANVILLE COUNTY, NORTH CAROLINA
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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 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 Cost-Sharing 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"). 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. Investments for all are reported at fair value.

**GRANVILLE COUNTY, NORTH CAROLINA
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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 (\$38,629,152) 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) | \$ 101,257,079 |
| Less accumulated depreciation | (23,648,106) |
| Net capital assets | <u>77,608,973</u> |
| Net pension asset | 106,230 |
| Contributions to the pension plan in the current fiscal year | 1,501,830 |
| Benefit payments and pension administration costs for LEOSSA | 41,623 |
| Contributions to OPEB plan in the current fiscal year | 500,345 |
| Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements. | 83,614 |
| Deferred charges related to advance refunding bond issued – included on government-wide statement of net position but are not current financial resources. | 668,709 |
| 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 | 429,863 |
| Internal receivable representing cost in excess of charges to business-type activities-current year | (1,601) |
| Deferred inflows of resources for taxes and special assessments receivable | 789,787 |
| Pension related deferrals | 3,150,108 |
| OPEB related deferrals | 1,327,307 |
| 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 | (87,160,607) |
| Compensated absences | (1,395,503) |
| Total OPEB Liability | (22,022,987) |
| Net pension liability-LGERS | (6,410,219) |
| Total pension liability-LEOSSA | (2,782,212) |
| Premium on bonds | (4,382,632) |
| Accrued interest payable | (681,780) |
| Total adjustment | <u>\$ (38,629,152)</u> |

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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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 \$9,382,192 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 | \$ 4,164,775 |
| Cost of disposed capital asset not recorded in fund statements | (18,640) |
| 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 | (1,684,533) |
| 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 | (6,060,000) |
| 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 government-wide statements | 8,556,352 |
| Payment to the escrow agent for refunded debt | 5,995,672 |
| Amortization on deferred premium payments on debt that is recorded in the statement of activities but not in the fund statements | 298,679 |
| 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 | 176,098 |
| Less: Profit from charges to business-type activities | (1,849) |
| Net adjustment | 174,249 |
| Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities | 1,501,830 |
| Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position | 41,623 |
| Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position | 500,345 |
| 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 | (140,788) |
| -Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual) | 144,053 |

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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| | |
|--|---------------------|
| -Difference in amount paid to the escrow agent for refunding and the amount of new debt is expensed in the current year as bond issuance cost. | (130,672) |
| -Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources | (67,405) |
| -OPEB expense | (1,141,006) |
| -County's portion of collective pension expense | (2,600,184) |
| Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements | |
| -Increase (decrease) in deferred inflows of resources-taxes receivable-at end of year | (142,463) |
| -Increase (decrease) in accrued taxes receivable at end of year | (9,695) |
| Total adjustment | <u>\$ 9,382,192</u> |

NOTE II: Stewardship, Compliance and Accountability

Deficit Fund Balance or Net Position of Individual Funds

None

Excess of Expenditures over Appropriations

None

NOTE III: Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's, the System'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 System's, the ABC Board's, the Tourism Development Authority's, or the Memorial Gardens' agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, the System, 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 System, 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 System, 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.

**GRANVILLE COUNTY, NORTH CAROLINA
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The County, the System, the ABC Board, the Tourism Development Authority and the Memorial Gardens have no formal policies regarding custodial credit risk for deposits.

At June 30, 2021, the County's deposits had a carrying amount of \$12,476,443 and a bank balance of \$13,418,101. Of the bank balance, \$750,000 was covered by federal depository insurance, and \$12,668,101 in interest bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2021, Granville County had \$2,225 cash on hand.

At June 30, 2021, the carrying amount of deposits for Granville County ABC Board was \$1,611,622 and the bank balance was \$1,598,634. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$1,348,634 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, 2020, the System's deposits had a carrying amount of approximately \$25,532,000 and a bank balance of approximately \$26,793,000. Of the bank balance, approximately \$516,000 was covered by federal depository insurance and approximately \$26,277,000 was covered by collateral held under the Pooling method. The System also had cash on hand at September 30, 2020, in the amount of approximately \$2,000.

At June 30, 2021, the Tourism Development Authority had a carrying amount of \$412,415 and a bank balance of \$415,895. Since the Authority's deposits are pooled with those of Granville County, all of the bank balance was covered by collateral held under the pooling method.

At June 30, 2021, the Memorial Gardens had a carrying amount of \$167,538 and a bank balance of \$170,032. All of the bank balance was covered by federal depository insurance.

2 . Investments

At June 30, 2021, the County had the following investments and maturities:

| <u>Investment Type</u> | <u>Valuation Measurement Method</u> | <u>Fair Value</u> | <u>Less Than 6 Months</u> | <u>6-12 Months</u> | <u>Greater Than One Year</u> | <u>% Concentration</u> |
|---|---|----------------------|-------------------------------|------------------------|--------------------------------------|----------------------------|
| NC Capital Management Trust- Fair Value-Level Government Portfolio | 1 | \$ 40,012,545 | \$ 40,012,545 | \$ - | \$ - | 100% |
| Total | | <u>\$ 40,012,545</u> | <u>\$ 40,012,545</u> | <u>\$ -</u> | <u>\$ -</u> | <u>100%</u> |

At June 30, 2021, South Granville Memorial Gardens had the following investments and maturities:

| <u>Investment Type</u> | <u>Valuation Measurement Method</u> | <u>Book Value at 6/30/20</u> | <u>Maturity</u> | <u>Rating</u> |
|--|---|----------------------------------|-----------------|---------------|
| NC Capital Management Trust- Fair Value-Level Govt Portfolio* | 1 | \$ 106,884 | .15 years | Unrated |

**GRANVILLE COUNTY, NORTH CAROLINA
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Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAm rating from S&P and AAA-mf by Moody's Investor Services.

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.

Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's policy limits its exposure to fair value losses from rising interest rates by limiting its investment portfolio to no less than 20% maintained in liquid investments at any point in time.

Credit Risk - State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). The County policy allows investments in the NC Capital Management Trust Government Portfolio, US Treasury Securities, US Agency Securities specifically authorized in NCGS 159 and rated no lower than AAA, and commercial paper meeting the requirements of NCGS 159. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2021.

Concentration of Credit Risk - The County limits amounts invested in US Treasury of Agencies to no more than 20% of total investments and commercial paper to no more than 10% per investment. A minimum of 20% of available investments must be liquid. At June 30, 2021, investments in U.S. government agencies and commercial paper representing greater than 5% of the County's total investments were: NCCMT - Government Portfolio at 100%.

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

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

| Year | | | | | |
|--------|----|------------|----|-----------|---------------|
| Levied | | Tax | | Interest | Total |
| 2018 | \$ | 3,425,729 | \$ | 839,304 | \$ 4,265,033 |
| 2019 | | 3,428,315 | | 531,389 | 3,959,704 |
| 2020 | | 3,328,974 | | 216,383 | 3,545,357 |
| 2021 | | 3,330,569 | | - | 3,330,569 |
| Total | \$ | 13,513,587 | \$ | 1,587,076 | \$ 15,100,663 |

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

4. Receivables

Receivables at the government-wide level at June 30, 2021, were as follows:

| | Accounts | Taxes and Related Accrued Interest | Due from other governments | Total |
|----------------------------------|--------------|--|----------------------------------|--------------|
| Governmental Activities: | | | | |
| General Fund | \$ 2,247,481 | \$ 1,185,401 | 2,174,634 | \$ 5,607,516 |
| Other Governmental Funds | 34,922 | - | - | 34,922 |
| Total Receivables | 2,282,403 | 1,185,401 | 2,174,634 | 5,642,438 |
| Allowance for Doubtful Accts. | - | (312,000) | - | (312,000) |
| Total Gov't Activities | \$ 2,282,403 | \$ 873,401 | \$ 2,174,634 | \$ 5,330,438 |
| Business-type Activities: | | | | |
| Soild Waste Management | 325,971 | - | 41,923 | 367,894 |
| Stormwater Fund | 33,920 | - | - | 33,920 |
| Total Receivables | 359,891 | - | 41,923 | 401,814 |
| Allowance for Doubtful Accts. | (55,784) | - | - | (55,784) |
| Total Business-type | \$ 304,107 | \$ - | \$ 41,923 | \$ 346,030 |

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

| | |
|------------------------------|---------------------|
| Local option sales tax | \$ 1,858,438 |
| Sales tax refund receivable | 316,196 |
| White goods tax | 8,467 |
| Scrap tire disposal tax | 24,408 |
| Solid waste tax distribution | 9,048 |
| Total | <u>\$ 2,216,557</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:

| Lease Years | Annual Rent |
|-------------|-------------|
| 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 |

GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2021, was as follows:

| <u>Governmental Activities:</u> | Beginning | | | Ending |
|---|---------------|--------------|--------------|---------------|
| | Balances | Increases | Retirements | Balances |
| Capital assets not being depreciated: | | | | |
| Land | \$ 8,276,811 | \$ 14,855 | \$ - | \$ 8,291,666 |
| Construction in Progress | 33,192,394 | 3,768,169 | (249,031) | 36,711,532 |
| Total capital assets not being depreciated | 41,469,205 | 3,783,024 | (249,031) | 45,003,198 |
| Capital assets being depreciated: | | | | |
| Buildings | 24,118,110 | 131,873 | - | 24,249,983 |
| Improvements other than building | 17,836,543 | - | - | 17,836,543 |
| Machinery and Equipment | 7,019,133 | 498,909 | (220,687) | 7,297,355 |
| Intangible assets | 6,870,000 | - | - | 6,870,000 |
| Total capital assets being depreciated: | 55,843,786 | 630,782 | (220,687) | 56,253,881 |
| Less accumulated depreciation for: | | | | |
| Buildings | 11,201,389 | 632,467 | - | 11,833,856 |
| Improvements other than building | 4,277,359 | 427,182 | - | 4,704,541 |
| Machinery and Equipment | 5,828,122 | 453,134 | (202,047) | 6,079,209 |
| Intangible assets | 858,750 | 171,750 | - | 1,030,500 |
| Total accumulated depreciation: | 22,165,620 | \$ 1,684,533 | \$ (202,047) | 23,648,106 |
| Total capital assets being depreciated, net | 33,678,166 | | | 32,605,775 |
| Governmental activity capital assets, net | \$ 75,147,371 | | | \$ 77,608,973 |

Depreciation expenses are charged to functions/ program of the governmental activity capital assets as follows:

| | |
|----------------------------|---------------------|
| General Government | \$ 434,915 |
| Public Safety | 619,703 |
| Human Services | 132,056 |
| Community Services | 321,557 |
| Economic Development | 176,302 |
| Total Depreciation Expense | <u>\$ 1,684,533</u> |

GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Business-type activities:

| | Beginning Balances | Increases | Retirements | Ending Balances |
|---|-----------------------|------------|-------------|---------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,020,695 | \$ - | \$ - | \$ 1,020,695 |
| Construction in progress | - | - | - | - |
| Total capital assets not being depreciated: | 1,020,695 | - | - | 1,020,695 |
| Capital assets being depreciated: | | | | |
| Buildings | 152,318 | 120,556 | - | 272,874 |
| Improvements other than buildings | 4,744,692 | - | - | 4,744,692 |
| Fixtures & Equipment | 149,072 | - | - | 149,072 |
| Machinery and equipment | 345,339 | - | (14,100) | 331,239 |
| Total capital assets being depreciated : | 5,391,421 | 120,556 | (14,100) | 5,497,877 |
| Less accumulated depreciation for: | | | | |
| Buildings | 28,780 | 6,299 | - | 35,079 |
| Improvements other than buildings | 945,495 | 122,682 | - | 1,068,177 |
| Fixtures & Equipments | 40,983 | 7,842 | - | 48,825 |
| Machinery and equipment | 345,339 | - | (14,100) | 331,239 |
| Total accumulated depreciation: | 1,360,597 | \$ 136,823 | \$ (14,100) | 1,483,320 |
| Total capital assets being depreciated, net | 4,030,824 | | | 4,014,557 |
| Business-type activity capital assets, net | <u>\$ 5,051,519</u> | | | <u>\$ 5,035,252</u> |

Depreciation expense is charged as follows

| | |
|---|-------------------|
| Landfill | \$ 117,319 |
| Convenience sites | 19,504 |
| Total capital assets not being depreciated: | <u>\$ 136,823</u> |

Activity for the ABC Board for the year ended June 30, 2021, was as follows:

| | Beginning Balances | Increases | Retirements | Ending Balances |
|---|-----------------------|-----------|-------------|---------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 338,774 | \$ - | \$ - | \$ 338,774 |
| Total capital assets not being depreciated: | 338,774 | - | - | 338,774 |
| Capital assets being depreciated: | | | | |
| Buildings | 986,595 | 9,250 | - | 995,845 |
| Furniture amd equipment | 139,788 | 4,197 | - | 143,985 |
| Vehicles | 23,208 | - | - | 23,208 |
| Computers & Software | 30,161 | 1,674 | (810) | 31,025 |
| Total capital assets being depreciated: | 1,179,752 | 15,121 | (810) | 1,194,063 |
| Less accumulated depreciation for: | | | | |
| Buildings | 120,294 | 24,490 | - | 144,784 |
| Furniture amd equipment | 63,962 | 16,979 | - | 80,941 |
| Vehicles | 23,208 | - | - | 23,208 |
| Computers & Software | 20,322 | 2,256 | (810) | 21,768 |
| Total accumulated depreciation | 227,786 | \$ 43,725 | \$ (810) | 270,701 |
| Total capital assets being depreciated, net | 951,966 | | | 923,362 |
| ABC Board capital assets net | <u>\$ 1,290,740</u> | | | <u>\$ 1,262,136</u> |

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Activity for Granville Health System for the year ended September 30, 2020, was as follows:

| | Beginning Balances | Increases | Retirements / Transfers | Ending Balances |
|---|-----------------------|--------------|----------------------------|--------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,790,207 | \$ - | \$ - | \$ 1,790,207 |
| Construction in Progress | 5,158,065 | 141,301 | (5,299,366) | - |
| Total capital assets not being depreciated: | 6,948,272 | 141,301 | (5,299,366) | 1,790,207 |
| Capital assets being depreciated: | | | | |
| Buildings | 31,605,807 | - | 205,503 | 31,811,310 |
| Capitalized interest | 181,828 | 12,323 | 3,170,031 | 3,364,182 |
| Land Improvements | 1,707,754 | 2,013,323 | 806,961 | 4,528,038 |
| Equipment and fixtures | 34,452,777 | - | 437,886 | 34,890,663 |
| Total capital assets being depreciated: | 67,948,166 | 2,025,646 | 4,620,381 | 74,594,193 |
| Less accumulated depreciation for: | | | | |
| Buildings | 16,444,124 | 845,466 | 28,604 | 17,260,986 |
| Land Improvements | 1,284,544 | 59,882 | - | 1,344,426 |
| Equipment and fixtures | 25,170,568 | 1,836,552 | 650,381 | 26,356,739 |
| Total accumulated depreciation | 42,899,236 | \$ 2,741,900 | \$ 678,985 | 44,962,151 |
| Total capital assets being depreciated, net | 25,048,930 | | | 29,632,042 |
| Granville Health System capital assets net | \$ 31,997,202 | | | \$ 31,422,249 |

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2021, were as follows :

| | Vendors | Accrued Salaries | Accrued Interest | Total |
|--------------------------------|--------------|---------------------|---------------------|--------------|
| Governmental Activities: | | | | |
| General Fund | \$ 872,985 | \$ 864,952 | \$ 681,780 | \$ 2,419,717 |
| Other Governmental Funds | 164,887 | - | - | 164,887 |
| County Health Plan Fund | 132,983 | - | - | 132,983 |
| Total Governmental Activities | \$ 1,170,855 | \$ 864,952 | \$ 681,780 | \$ 2,717,587 |
| Business-type Activities: | | | | |
| Solid Waste Management | \$ 154,617 | 16,775 | \$ - | \$ 171,392 |
| Stormwater Fund | 29,616 | - | - | 29,616 |
| Total Business-type Activities | \$ 184,233 | \$ 16,775 | \$ - | \$ 201,008 |

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

2. Pension Plan and Other Postemployment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The County, Granville Health System, and the ABC Board are participating employers 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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report 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.

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 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, 2021, was 10.84% of compensation for law enforcement officers and 10.22% 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. The ABC Board's rate was 10.37%. Contributions to the pension plan from the County were \$1,518,988 for the year ended June 30, 2021. Contributions to the pension plan from the Health System were approximately \$620,038 for the year ended September 30, 2020. Contributions to the pension plan from the ABC Board were \$33,699.

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.

**GRANVILLE COUNTY, NORTH CAROLINA
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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

County

At June 30, 2021, the County reported a liability of \$6,507,209 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2021, the County's proportion was 0.182% (measured as of June 30, 2020), which was an increase of .003% from its proportion as of June 30, 2020 (measured as of June 30, 2019).

For the year ended June 30, 2021, the County recognized pension expense of \$2,347,416. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 821,746 | \$ - |
| Changes in assumptions | 484,264 | - |
| Net difference between projected and actual earnings on pension plan investments | 915,715 | - |
| Changes in proportion and differences between County contributions and proportionate share of contributions | 243,235 | - |
| County contributions subsequent to the measurement date | 1,518,988 | - |
| Total | <u>\$ 3,983,948</u> | <u>\$ -</u> |

\$1,518,988 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

| | |
|------|---------------------|
| 2022 | \$ 719,822 |
| 2023 | 916,169 |
| 2024 | 557,966 |
| 2025 | 271,003 |
| | <u>\$ 2,464,960</u> |

Health System

At September 30, 2020, the System reported a liability of approximately \$10,985,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The System's proportion of the net pension liability was based on a projection of the System'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, 2020, the System's proportion was 0.30740%, which was a decrease of 0.00586% from its proportion measured as of September 30, 2019.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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For the year ended September 30, 2020, the System recognized pension expense of approximately \$3,696,000. At September 30, 2020, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 1,387,176 | \$ - |
| Changes in assumptions | 817,478 | - |
| Net difference between projected and actual earnings on pension plan investments | 1,545,804 | - |
| Changes in proportion and differences between County contributions and proportionate share of contributions | - | 226,841 |
| System contributions subsequent to the measurement date | 620,038 | - |
| Total | <u>\$ 4,370,496</u> | <u>\$ 226,841</u> |

\$620,038 reported as deferred outflows related to pensions resulting from System contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred inflows related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

| | |
|------|---------------------|
| 2021 | \$ 951,786 |
| 2022 | 1,326,226 |
| 2023 | 788,126 |
| 2024 | 457,479 |
| | <u>\$ 3,523,617</u> |

Actuarial Assumptions . The total pension liability in the December 31, 2019 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.

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of an actuarial experience study as of 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 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, 2021 are summarized in the following table:

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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| <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 | 6.0% | 4.0% |
| Total | <u>100.0%</u> | |

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 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 3.05%. 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 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 (6.00%)</u> | <u>Discount Rate (7.00%)</u> | <u>1% Increase (8.00%)</u> |
|--|--------------------------------|----------------------------------|--------------------------------|
| County's proportionate share of the net pension liability (asset) | \$ 13,202,418 | \$ 6,507,209 | \$ 943,019 |
| System's proportionate share of the net pension liability (asset) | \$ 22,286,783 | \$ 10,984,712 | \$ 1,591,894 |
| ABC Board's proportionate share of the net pension liability (asset) | \$ 231,278 | \$ 113,992 | \$ 16,520 |

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

b. Law Enforcement Officers' 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.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2019, the Separation Allowance's membership consisted of:

| | |
|--|----|
| Retirees receiving benefits | 4 |
| Terminated plan members entitled to but not yet receiving benefits. | - |
| Active plan members | 55 |
| Total | 59 |

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 has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 73:

Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2019 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|------------------|---|
| Inflation | 2.50 percent |
| Salary increases | 3.25 to 7.75 percent, including inflation and productivity factor |
| Discount rate | 1.93 percent |

The discount rate used to measure the TPL is the S&P Municipal Bond 20 Year High Grade Rate Index.

The actuarial assumptions used in the December 31, 2019 valuation were based on results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2019.

Mortality rates

Deaths After Retirement (Healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

Deaths After Retirement (Disabled): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

Deaths Before Retirement: Mortality rates are based on the Safety Mortality Table for Employees.

Deaths After Retirement (Beneficiary): Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

**GRANVILLE COUNTY, NORTH CAROLINA
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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 \$36,812 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, 2021, the County reported a total pension liability of \$2,782,212. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to the measurement date of June 30, 2020, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$291,187.

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 99,408 | \$ 19,814 |
| Changes of assumptions | 695,424 | 40,859 |
| County benefit payments and plan administrative expense made subsequent to the measurement date | 41,623 | - |
| Total | <u>\$ 836,455</u> | <u>\$ 60,673</u> |

The County paid \$41,623 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

| | |
|------|------------|
| 2022 | \$ 166,958 |
| 2023 | 169,474 |
| 2024 | 147,804 |
| 2025 | 156,508 |
| 2026 | 93,415 |

Sensitivity of the County's pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 1.93 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 (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

| | 1% Decrease (0.93%) | Discount Rate (1.93%) | 1% Increase (2.93%) |
|---|------------------------|--------------------------|------------------------|
| County's proportionate share of the net pension liability (asset) | \$ 3,017,901 | \$ 2,782,212 | \$ 2,566,160 |

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance

| | 2021 |
|--|--------------|
| Beginning balance | \$ 1,920,442 |
| Service Cost | 85,321 |
| Interest on the total pension liability | 62,006 |
| Changes of benefit terms | - |
| Differences between expected and actual experience in the measurement of the total pension liability | 1,338 |
| Changes of assumptions or other inputs | 749,917 |
| Benefit payments | (36,812) |
| Other changes | - |
| Ending balance of the total pension liability | \$ 2,782,212 |

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.26 percent at June 30, 2019 (measurement date) to 1.93 percent at June 30, 2020 (measurement date).

Changes in Benefit Terms. Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

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 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, 2019 valuation were based on the results of an actuarial experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ending December 31, 2019.

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 Annual Comprehensive Financial Report (ACFR) 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, 2021, were \$241,166, which consisted of \$162,318 from the County and \$78,848 from the law enforcement officers.

**GRANVILLE COUNTY, NORTH CAROLINA
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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 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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report 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.

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 \$5,483 for the year ended June 30, 2021.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the County reported an asset of \$106,230 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2020, the County's proportion was .4635%, which was an increase of .0613% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$5,483. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ - | \$ 2,165 |
| Changes of assumptions | - | - |
| Net difference between projected and actual earnings on pension plan investments | - | 9,090 |
| Changes in proportion and differences between County contributions and proportionate share of contributions | 6,742 | 7,758 |
| County contributions subsequent to the measurement date | 5,483 | - |
| Total | <u>\$ 12,225</u> | <u>\$ 19,013</u> |

**GRANVILLE COUNTY, NORTH CAROLINA
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\$5,483 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

| | | |
|------|-----------|-----------------|
| 2022 | \$ | (2,089) |
| 2023 | | (3,790) |
| 2024 | | (4,102) |
| 2025 | | (2,290) |
| | <u>\$</u> | <u>(12,271)</u> |

Actuarial Assumptions. The total pension liability in the December 31, 2019 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 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, 2019 valuation were based on the results of an actuarial experience study as of 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. 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 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, 2021 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 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 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 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 or net pension liability 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:

**GRANVILLE COUNTY, NORTH CAROLINA
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| | 1% Decrease (2.75%) | Discount Rate (3.75%) | 1% Increase (4.75%) |
|---|------------------------|--------------------------|------------------------|
| County's proportionate share of the net pension liability (asset) | \$ (90,229) | \$ (106,230) | \$ (119,769) |

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

e. Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability (asset) for LGERS and ROD was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019. The total pension liability for LEOSSA was measured as of June 30, 2020, with an actuarial valuation date of December 31, 2019. 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:

| | LGERS | ROD | LEOSSA | Total |
|--|--------------|--------------|---------------|--------------|
| Proportionate Share of Net Pension Liability (Asset) | \$ 6,507,209 | \$ (106,230) | \$ - | \$ 6,400,979 |
| Proportionate of the Net Pension Liability (Asset) | 0.182% | 0.464% | n/a | n/a |
| Total Pension Liability | \$ - | \$ - | \$ 2,782,212 | \$ 2,782,212 |
| Pension Expense | \$ 2,347,416 | \$ 5,483 | \$ 291,187 | \$ 2,644,086 |

At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | LGERS | ROD | LEOSSA | Total |
|---|--------------|------------|---------------|--------------|
| <u>Deferred Outflows of Resources</u> | | | | |
| Differences between expected and actual experience | \$ 821,746 | \$ - | \$ 99,408 | \$ 921,154 |
| Changes of assumptions | 484,264 | - | 695,424 | 1,179,688 |
| Net difference between projected and actual earnings on pension plan investment | 915,715 | - | - | 915,715 |
| Changes in proportion and differences between County contributions and proportionate share of contributions | 243,235 | 6,742 | - | 249,977 |
| County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date | 1,518,988 | 5,483 | 41,623 | 1,566,094 |
| <u>Deferred Inflows of Resources</u> | | | | |
| Differences between expected and actual experience | \$ - | \$ 2,165 | \$ 19,814 | \$ 21,979 |
| Changes of assumptions | - | - | 40,859 | 40,859 |
| Changes in proportion and differences between County contributions and proportionate share of contributions | | 9,090 | | |
| Changes in proportion and differences between County contributions and proportionate share of contributions | - | 7,758 | - | 7,758 |

**GRANVILLE COUNTY, NORTH CAROLINA
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f. Other Postemployment Benefits

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.
- 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, 2021 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, 2021, the non-Medicare monthly premium was \$830 per month. If the employees and retirees qualified for the Wellness Option, they contributed \$45 or the Non-Wellness Option contributed \$120 per month. For those that are on Medicare, the County provides a Medicare Supplement and Prescription Plan that ranges from \$100 per month to \$304 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 \$430,404.

Plan membership. Membership of the HCB Plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

| | |
|---|------------|
| Inactive plan members or beneficiaries currently receiving | 72 |
| Inactive plan members entitled to but not yet receiving benefit | - |
| Active members | 136 |
| Total | <u>208</u> |

The County's total OPEB liability of \$22,317,579 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2020.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2020 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 | 2.21 percent |
| Healthcare cost trend rates: | |
| Pre-Medicare | 7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030 |
| Medicare | 5.25% for 2020 decreasing to an ultimate rate of 4.50% by 2024 |

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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, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2010 - December 31, 2014, adopted by the LGERS.

Sensitivity of the net OPEB liability to changes in the discount rate.

The following presents the net 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 (1.21 percent) and 1-percentage-point higher (3.21 percent) than the current discount rate:

| | 1% Decrease (1.21 percent) | Discount Rate (2.21 Percent) | 1% Increase (3.21 percent) |
|------------------------------|-------------------------------|---------------------------------|-------------------------------|
| Total OPEB liability (asset) | \$ 27,078,690 | \$ 22,317,579 | \$ 18,667,828 |

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculate using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| | 1% Decrease | Current | 1% Increase |
|------------------------------|---------------|---------------|---------------|
| Total OPEB liability (asset) | \$ 18,442,459 | \$ 22,317,579 | \$ 27,440,479 |

Changes in Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2021, the County reported a total OPEB liability of \$22,317,579. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2021, the components of the total OPEB liability of the County, measured as of June 30, 2020, were as follows:

| | Total OPEB Liability |
|---|-------------------------|
| Balances at June 30, 2020 | \$ 18,286,905 |
| Changes for the Year: | |
| Service Cost | 475,354 |
| Interest | 649,212 |
| Differences between Expected and Actual experience | (748,217) |
| Changes of assumptions or other inputs | 4,084,729 |
| Benefit payments | (430,404) |
| Net Changes | 4,030,674 |
| Balances at June 30, 2021 | \$ 22,317,579 |

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 percent to 2.21 percent.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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For the year ended June 30, 2021, the County recognized OPEB expense of \$1,156,269. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ - | \$ 1,424,519 |
| Changes of assumptions | 4,107,249 | 1,337,668 |
| Net difference between projected and actual earnings on plan investments | - | - |
| Benefit payments and administrative costs made subsequent to the measurement date | 507,038 | - |
| Total | \$ 4,614,287 | \$ 2,762,187 |

\$507,038 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, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30

| | |
|------------|------------|
| 2022 | \$ 146,341 |
| 2023 | 146,341 |
| 2024 | 194,208 |
| 2025 | 742,383 |
| 2026 | 115,789 |
| Thereafter | - |

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 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.

3. Closure and Post-Closure Costs

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 \$6,737,964 reported as landfill closure and postclosure care liability at June 30, 2021, 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.

GRANVILLE COUNTY, NORTH CAROLINA
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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

Deferred outflows of resources at year-end is comprised of the following:

| | <u>Deferred Outflows of Resources</u> |
|---|---|
| Charge on refunding of debt | \$ 668,709 |
| Difference between expected and actual experience | |
| LGERS | 821,746 |
| LEOSSA | 99,408 |
| Changes of assumptions | |
| LGERS | 484,264 |
| LEOSSA | 695,424 |
| OPEB | 4,107,248 |
| Pensions - difference between projected and actual investment | |
| LGERS | 915,715 |
| Pensions - change in proportion and difference between employer contributions and proportionate share of contributions | |
| LGERS | 243,235 |
| Register of Deeds | 6,742 |
| Contributions, benefits and admin costs paid subsequent to measurement date | |
| LGERS | 1,518,988 |
| Register of Deeds | 5,483 |
| LEOSSA | 41,623 |
| Benefit payments for the OPEB plan paid subsequent to measurement date | 507,038 |
| Total | <u>\$ 10,115,623</u> |

Deferred inflows of resources at year-end is comprised of the following:

| | <u>Statement of Net Position</u> | <u>Governmental Funds Balance Sheet</u> |
|---|--------------------------------------|---|
| Difference between expected and actual experience | | |
| Register of Deeds | \$ 2,165 | \$ - |
| LEOSSA | 19,814 | - |
| OPEB | 1,424,519 | - |
| Changes of assumptions | | |
| LEOSSA | 40,859 | - |
| OPEB | 1,337,667 | - |
| Pensions - difference between projected and actual investment | | |
| Register of Deeds | 9,090 | - |
| Pensions - change in proportion and difference between Register of Deeds | 7,758 | - |
| Prepaid taxes not yet earned (General Fund) | 18,528 | 18,528 |
| Taxes receivable, net (General) | - | 789,787 |
| Total | <u>\$ 2,860,400</u> | <u>\$ 808,315</u> |

**GRANVILLE COUNTY, NORTH CAROLINA
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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 sublimits 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 involved in litigation in the ordinary course of business related to professional liability claims. Management believes all claims will be settled within the limits of insurance coverage. Other claims may be asserted arising from past services provided through September 30, 2020. Management believes these claims, if asserted, would be settled within the limits of insurance coverage. The System's medical malpractice coverage is on an occurrence basis with insurance limits of \$1,000,000 per claim and \$3,000,000 in the aggregate. The System also has an occurrence based umbrella policy of \$10,000,000.

6 Contingent Liabilities

At June 30, 2021, 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.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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7 Long-Term Obligations

a. **Financing Agreement**

Governmental Activities

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%.

| | |
|-------|------------|
| Total | \$ 815,297 |
|-------|------------|

For Granville County, the future minimum payments as of June 30, 2021, including \$10,191 of interest are:

| Year Ending <u>June 30</u> | <u>Principal</u> | <u>Interest</u> |
|-------------------------------|------------------|-----------------|
| 2022 | \$ 815,297 | \$ 10,191 |
| | \$ 815,297 | \$ 10,191 |

b. **Operating Lease**

The System has entered into an operating lease agreement lease space in a medical office building adjacent to the System. Under the agreement, the System 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 amounted to approximately \$42,000 as of September 30, 2020.

Total rental expense charged to operations amounted to approximately \$596,000 for the year ended September 30, 2020, respectively. Approximate future minimum rentals for the year ending September 30 are as follows:

| | |
|-------|--------------|
| 2021 | \$ 596,685 |
| 2022 | 597,370 |
| 2023 | 598,055 |
| 2024 | 598,740 |
| 2025 | 599,425 |
| Total | \$ 2,990,275 |

GRANVILLE COUNTY, NORTH CAROLINA
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c. Installment Purchase

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, 2021, are comprised of the following individual issues:

The County entered into a direct placement 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. \$ 97,450

In September 2012, the County entered into a direct placement \$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%. 4,477,000

In July 2012, the County entered into a direct placement \$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%. 908,260

In August 2014, the County entered into a \$9,000,000 direct placement 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. 7,774,476

In August 2014, the County entered into a \$5,000,000 direct placement 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. 4,319,134

In April 2018, the County entered into a \$8,105,000 direct placement 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%. 7,774,476

In May 2018, the County entered into a \$5,800,000 direct placement 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%. 4,319,134

Total \$ 29,669,930

For Granville County, the future minimum payments as of June 30, 2021, including \$10,892,775 of interest are:

| Year Ending June 30 | Governmental Activities | |
|---------------------|-----------------------------|-----------------------------|
| | Principal | Interest |
| 2022 | \$ 1,883,612 | \$ 1,051,784 |
| 2023 | 1,804,152 | 991,207 |
| 2024 | 1,821,862 | 931,536 |
| 2025 | 1,842,318 | 871,167 |
| 2026 | 1,862,550 | 809,990 |
| 2027-2031 | 7,138,381 | 3,198,809 |
| 2032-2036 | 6,105,054 | 2,017,324 |
| 2037-2041 | 4,601,280 | 869,632 |
| 2042-2046 | 2,334,111 | 151,326 |
| Total | <u><u>\$ 29,393,320</u></u> | <u><u>\$ 10,892,775</u></u> |

GRANVILLE COUNTY, NORTH CAROLINA
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d. Certificates of Participation

\$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%. 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). This agreement was refunded by the Limited Obligation Bond, Series 2021.

\$ -

\$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.

5,215,000

Total

\$ 5,215,000

| Year Ending June 30 | Governmental Activities | |
|---------------------|-------------------------|---------------------|
| | Principal | Interest |
| 2022 | \$ - | \$ 263,358 |
| 2023 | - | 263,358 |
| 2024 | - | 263,358 |
| 2025 | - | 263,358 |
| 2026 | 5,215,000 | 131,679 |
| Total | <u>\$ 5,215,000</u> | <u>\$ 1,185,111</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.

General Obligation Bonds

| | |
|--|----------------------|
| \$16,095,000 Refunding Bonds 2013 due on June 1 and December 1; interest at 2.5-4.0% | \$ 7,315,000 |
| \$5,485,000 Refunding Bonds 2015 due on May 1 and November 1; interest at 2.27% | 2,861,000 |
| \$5,044,000 Refunding Bonds 2017 due on June 1 and December 1; interest at 2.39% | 3,931,000 |
| \$34,665,000 Limited Obligation 2018 due on April 1 and October 1; interest at 3.75-5% | 31,570,000 |
| \$6,060,000 Limited Obligation, Series 2021 due on March 1 and September 1; interest at 1.32% | 6,060,000 |
| Total | <u>\$ 51,737,000</u> |

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

GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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Annual debt service requirements to maturity for the County's general obligation bonds are as follows:

| Year Ending June 30 | Governmental Activities | |
|---------------------|-------------------------|----------------------|
| | Principal | Interest |
| 2022 | \$ 5,916,000 | \$ 1,973,063 |
| 2023 | 5,802,000 | 1,747,452 |
| 2024 | 5,647,000 | 1,548,029 |
| 2025 | 5,146,000 | 1,352,928 |
| 2026 | 3,632,000 | 1,163,678 |
| 2027-2031 | 14,474,000 | 3,923,059 |
| 2032-2036 | 6,950,000 | 1,737,500 |
| 2037-2041 | 4,170,000 | 243,250 |
| Total | <u>\$ 51,737,000</u> | <u>\$ 13,688,959</u> |

At June 30, 2021, Granville County had a legal debt margin of \$318,225,218.

The System's notes payable at September 30, 2020, are comprised of the following:

| | |
|---|----------------------|
| Note payable monthly at 3.97% interest; principal and interest of \$11,073 due monthly through March 2022; guaranteed by Granville County | \$ 193,183 |
| Note payable monthly at 3.73% interest; principal and interest payable semi-annually of \$79,324 through July 2027; collateralized by real estate | 969,503 |
| Note payable at 4.22%, principal due annually of \$290,000 plus interest through May 2038; collateralized by building and guaranteed by County | 5,220,000 |
| Note payable monthly at 4.00% interest, principal and interest payable monthly of \$66,920 through December 2043; collateralized by real estate: guaranteed by Granville County | 12,329,149 |
| Note payable monthly at 4.38% interest, principal and interest monthly of \$5,965 through September 2023 | <u>206,196</u> |
| Total | <u>\$ 18,918,031</u> |

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

| <u>Year Ending Sept 30</u> | <u>Amount</u> |
|----------------------------|----------------------|
| 2021 | \$ 911,338 |
| 2022 | 880,177 |
| 2023 | 829,818 |
| 2024 | 795,502 |
| 2025 | 792,800 |
| Thereafter | 14,708,396 |
| Total | <u>\$ 18,918,031</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.

GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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.

On January 20, 2021, the County issued \$6,060,000 of limited obligation bonds, which was used to refund the COPS, Series 2010A RZEDB agreement. As a result, the refunded debt is considered defeased and the liability has been removed from the governmental activities column of the statement of net position. The net carrying amount of the new debt exceeded the reacquisition price of the old debt by \$195,000. This amount is being netted against the interest expense, as it was for bond refunding costs. This advance refunding was undertaken to reduce total debt service payments over the next 10 years and resulted in an economic gain of \$505,280.

g. Long-Term Obligation Activity:

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2021:

| | Beginning Balance | | | Ending Balance | Current Portion of |
|---|-------------------|---------------|---------------|----------------|--------------------|
| | July 1, 2020 | Increases | Decreases | June 30, 2021 | Balance |
| Governmental Activities: | | | | | |
| General obligation bonds | \$ 51,038,000 | \$ 6,060,000 | \$ 5,361,000 | \$ 51,737,000 | \$ 5,916,000 |
| Plus: Premiums on issuance | 4,681,311 | - | 298,679 | 4,382,632 | 298,679 |
| Total General Obligation Bonds | 55,719,311 | 6,060,000 | 5,659,679 | 56,119,632 | 6,214,679 |
| Financing Agreements | 1,620,528 | - | 805,231 | 815,297 | 815,297 |
| Direct Placement Installment Purchases | 31,288,431 | - | 1,895,121 | 29,393,310 | 1,883,612 |
| Certificates of participation | 11,575,000 | - | 6,360,000 | 5,215,000 | - |
| Compensated Absences | 1,328,098 | 67,405 | - | 1,395,503 | 348,876 |
| Net pension liability (LGERS) | 4,793,651 | 1,616,568 | - | 6,410,219 | - |
| Total OPEB Liability | 17,919,338 | 4,103,649 | - | 22,022,987 | - |
| Total pension liability (LEOSSA) | 1,920,442 | 861,770 | - | 2,782,212 | - |
| Total governmental activities | \$ 126,164,799 | \$ 12,709,392 | \$ 14,720,031 | \$ 124,154,160 | \$ 9,262,464 |
| Business-type Activities: | | | | | |
| Accrued landfill closure and post-closure costs | \$ 6,738,571 | \$ - | \$ 607 | \$ 6,737,964 | \$ - |
| Compensated absences | 31,516 | - | 81 | 31,435 | 7,859 |
| Net pension liability (LGERS) | 90,603 | 6,387 | - | 96,990 | - |
| Total OPEB liability | 367,567 | - | 72,975 | 294,592 | - |
| Total Business-type activities | \$ 7,228,257 | \$ 6,387 | \$ 73,663 | \$ 7,160,981 | \$ 7,859 |

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 OPEB liability for business-type activities are generally liquidated by the Solid Waste Management Fund.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The following is a summary of changes in the System's long-term obligations for the fiscal year ended September 30, 2020:

| | Beginning Balance | | | Ending Balance | Current Portion of |
|---------------------------------|-------------------|--------------|--------------|----------------|--------------------|
| Governmental Activities: | Sept 30, 2019 | Increases | Decreases | Sept 30, 2020 | Balance |
| Installment Purchases | \$ 19,593,494 | \$ 255,879 | \$ 931,342 | \$ 18,918,031 | \$ 911,338 |
| Capital leases | 30,014 | - | 30,014 | - | - |
| Compensated absences | 2,598,985 | | 496,123 | 2,102,862 | - |
| Net pension liability (LGRS) | 8,549,971 | 2,434,741 | - | 10,984,712 | - |
| Total governmental activities | \$ 30,772,464 | \$ 2,690,620 | \$ 1,457,479 | \$ 32,005,605 | \$ 911,338 |

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2021 consist of the following:

| | |
|---|---------------------|
| From Coronavirus Relief Fund to General Fund to return excess funding back to the General Fund. | \$ 436,464 |
| From the Emergency Telephone System Fund to General Fund to transfer expenses paid by the General Fund to agree to PSAP report. | 250 |
| From HAVA Grant Fund to General Fund to reimburse for expenditures paid in the previous year by the General Fund. | 9,603 |
| From General Fund to the GAP Phase III Project Fund to provide resources for project expenses. | 998,060 |
| From General Fund to the Coronavirus Relief Fund to transfer funds originally deposited in the General Fund. | 325,598 |
| From General Fund to the CARES / HAVA Grant to provide resources for the project. | 3,762 |
| From General Fund to the Health Plan to provide resources to cover Healthcare expenses. | 183,000 |
| Total | \$ 1,956,737 |

Balances due to/from other funds as of June 30, 2021, consist of the following:

| | |
|---|-------------------|
| From Coronavirus Relief Fund to General Fund for expenditures covered by the General Fund. | \$ 400 |
| From GAP Phase III Project Fund to General Fund for expenditures covered by the General Fund. | 125,661 |
| From Falls Meadow/Montgomery Place Project Fund to General Fund to fund street improvements that are to be reimbursed via assessments | 229,287 |
| From Solid Waste Fund to General Fund for expenditures covered by the General Fund. | 483,848 |
| | \$ 839,196 |

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

D. Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2021 is composed of the following elements:

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> |
|---|------------------------------------|-------------------------------------|
| Capital assets (Net of depreciation) | \$ 77,608,973 | \$ 5,035,252 |
| Capital debt calculation: | | |
| Total debt, gross | 91,543,239 | - |
| Less: | | |
| School debt for assets to which the county does not hold title | (38,853,712) | - |
| System debt for assets which the county does not hold title | (17,418,454) | - |
| Unamortized assets related to capital debt (excluding school related) | (134,140) | - |
| Add: | | |
| Unamortized liabilities related to capital debt (excluding school related) | 2,743,780 | - |
| Total capital debt | <u>37,880,713</u> | <u>-</u> |
| Net investment in capital assets | <u>\$ 39,728,260</u> | <u>\$ 5,035,252</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 | \$ 45,693,486 |
| Less: | |
| Prepaid Assets | 6,200 |
| Stabilization by State Statute | 5,287,119 |
| Appropriated fund balance in 2022 budget | 5,645,236 |
| Education | 3,585,238 |
| Register of Deeds | 113,275 |
| Tax Revaluation | 317,698 |
| Public Safety | 1,447,334 |
| Human Services | 3,484,280 |
| Economic and Physical Development | 1,070,000 |
| Working Capital / Fund Balance Policy | 20,334,871 |
| Remaining Fund Balance | <u>4,402,235</u> |

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.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE IV: Joint Ventures

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 \$755,778 and \$206,638 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2021. 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, 2021. 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.

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.

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.

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, 2021. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$45,819 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.

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, 2021. 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.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE V: Joint Governed Organization

Kerr-Tar Regional Council of Governments

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 \$23,342 to the Council during the fiscal year ended June 30, 2021. Complete financial statements for the Council may be obtained from the Council's administrative offices at 510 Dabney Drive, Henderson, N.C. 27536.

NOTE 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.

Coronavirus Disease (COVID-19)

During the fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to the County, COVID-19 is expected to impact various parts of its fiscal year 2021-22 operations and financial results. Management believes the County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

NOTE VII: Significant Effects of Subsequent Events

The County has evaluated events and transactions that occurred between June 30, 2021 and November 23, 2021, 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.

NOTE IX: Restatements

Change in Accounting Principle

The County implements Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

As part of implementing the statement, the County performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, fund balance and net position were restated as follows:

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | Governmental activities Net Position - Increase (Decrease) | General Fund Balance - Increase (Decrease) | Nonmajor Special Revenue Fund Balance - Increase (Decrease) | Fiduciary Net Position - Custodial Fund - Increase (Decrease) |
|--|--|---|---|--|
| Cash related to funds held on behalf of incarcerated inmates was recorded in fiduciary net position in a newly created Jail Inmate Pay Custodial Fund. | \$ - | \$ - | \$ - | \$ 3,495 |
| Cash, taxes receivables and liabilities related to ad valorem and vehicle property taxes collected by the County on behalf of various municipalities were reclassified out of the Agency Fund into a newly created Municipal Tax Custodial Fund. The portion of liabilities attributable to taxes receivable at the beginning of the year were restated as custodial net position. | - | - | - | 175,521 |
| Cash and receivables from Sheriff's Evidence and Execution Funds were reclassified out of the Agency Fund into a newly Custodial Funds. The portion of liabilities in the Agency Fund representing cash balances were restated as custodial net position. | | | | 137,819 |
| Cash received under the Social Security Administration's Representative Payee Program net of liabilities owed for payments on behalf of beneficiaries were reclassified out of the Agency Fund into a newly created Representative Payee Special Revenue Fund. The portion of liabilities in the Agency Fund representing net cash available at the beginning of the year were restated as fund balance. | 84,458 | - | 84,458 | - |
| Cash received in the Sheriff Special accounts for taxes on confiscated drugs that can be used at the County's discretion were reclassified out of the Agency Fund into a newly created Sheriff Special Revenue Fund. | 85,247 | - | 85,247 | - |
| | <u>\$ 169,705</u> | <u>\$ -</u> | <u>\$ 169,705</u> | <u>\$ 316,835</u> |

Other Restatements

The County budgeted and paid stormwater salaries out of a General Fund department, so the beginning net position was restated to reclassify the allocation from the Stormwater Fund to the Governmental Activities as it relates to the Retirement and OPEB balances. This resulted in an increase of \$143,964 in net position of the Stormwater Fund, offset by a decrease of \$143,964 in net position in the governmental activities.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally accepted accounting principals.

- 1 ~ Schedule of County's Proportionate Share of Net Pension Liability (Asset) for (LGRS)
- 2 ~ Schedule of County Contributions (LGRS)
- 3 ~ Schedule of County's Proportionate Share of Net Pension Asset Register of Deeds'
Supplemental Pension Fund
- 4 ~ Schedule of County Contributions Register of Deeds' Supplemental Pension Fund
- 5 ~ Schedule of Changes in Total Pension Liability for the Law Enforcement Officers' Special
Separation Allowance.
- 6 ~ Schedule of Liability as a Percentage of Covered Payroll for the Law Enforcement Officers'
Special Separation Allowance.
- 7 ~ Schedule of Changes in the Total OPEB Liability and Related Ratios

Granville County, North Carolina
Schedule of County's Proportionate Share of Net Pension Liability (Asset)
Local Government Employees' Retirement System
Last Eight Fiscal Years*

| Local Government Employees' Retirement System | | | | |
|--|---------------|---------------|----------------|---------------|
| | 2021 | 2020 | 2019 | 2018 |
| County's proportion of the net pension liability (asset) (%) | 0.182% | 0.179% | 0.177% | 0.180% |
| County's proportion of the net pension liability (asset) (\$) | \$ 6,507,209 | \$ 4,884,254 | \$ 4,203,316 | \$ 2,745,928 |
| County's covered payroll | \$ 13,758,827 | \$ 13,461,599 | \$ 12,597,654 | \$ 12,039,675 |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 47.29% | 36.28% | 33.37% | 22.81% |
| Plan fiduciary net position as a percentage of the total pension liability** | 88.61% | 90.86% | 92.00% | 94.18% |
| | 2017 | 2016 | 2015 | 2014 |
| County's proportion of the net pension liability (asset) (%) | 0.181% | 0.180% | 0.182% | 0.186% |
| County's proportion of the net pension liability (asset) (\$) | \$ 3,832,725 | \$ 807,011 | \$ (1,070,625) | \$ 2,237,193 |
| County's covered payroll | \$ 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 | 33.05% | 7.28% | -9.68% | 20.53% |
| Plan fiduciary net position as a percentage of the total pension liability** | 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.

** This will be the same percentage for all participant employers in the LGERS plan.

This schedule will not present 10 years' worth of information until fiscal year 2023.

Granville County, North Carolina
Schedule of County Contributions
Local Government Employees' Retirement System
Last Eight Fiscal Years

| Local Government Employees' Retirement System | | | | |
|--|---------------|---------------|---------------|---------------|
| | 2021 | 2020 | 2019 | 2018 |
| Contractually required contribution | \$ 1,518,988 | \$ 1,260,879 | \$ 1,064,421 | \$ 971,019 |
| Contributions in relation to the contractually required contribution | 1,518,988 | 1,260,879 | 1,064,421 | 971,019 |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| County's covered payroll | \$ 14,665,956 | \$ 13,758,827 | \$ 13,461,599 | \$ 12,597,654 |
| Contributions as a percentage of covered payroll | 10.36% | 9.16% | 7.91% | 7.71% |
| | 2017 | 2016 | 2015 | 2014 |
| Contractually required contribution | \$ 900,473 | \$ 794,490 | \$ 791,446 | \$ 786,842 |
| Contributions in relation to the contractually required contribution | 900,473 | 794,490 | 791,446 | 786,842 |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| County's covered payroll | \$ 12,039,675 | \$ 11,595,359 | \$ 11,078,798 | \$ 11,056,961 |
| Contributions as a percentage of covered payroll | 7.48% | 6.85% | 7.14% | 7.12% |

* Information is not required to be presented retroactively.

This schedule will not present 10 years' worth of information until fiscal year 2024.

Granville County, North Carolina
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
Register of Deeds' Supplemental Pension Fund
Last Eight Fiscal Years*

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|--------------|--------------|--------------|-------------|
| County's proportionate share of the net pension (asset) liability (%) | 0.464% | 0.402% | 0.472% | 0.481% |
| County's proportionate share of the net pension (asset) liability (\$) | \$ (106,230) | \$ (79,410) | \$ (78,151) | \$ (82,034) |
| Plan fiduciary net position as a percentage of the total pension liability ** | 173.62% | 164.11% | 153.31% | 153.77% |
| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| County's proportionate share of the net pension (asset) liability (%) | 0.439% | 0.459% | 0.457% | 0.427% |
| County's proportionate share of the net pension (asset) liability (\$) | \$ (82,098) | \$ (106,274) | \$ (103,658) | \$ (91,205) |
| Plan fiduciary net position as a percentage of the total pension liability ** | 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.

** This will be the same percentage for all participant employers in the LGERS plan.

This schedule will NOT present 10 years' worth of information until fiscal year 2023.

Granville County, North Carolina
Schedule of County Contributions
Register of Deeds' Supplemental Pension Fund
Last Eight Fiscal Years

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|--------------|--------------|--------------|--------------|
| County's required contribution | \$ 5,483 | \$ 4,438 | \$ 3,823 | \$ 4,038 |
| Contributions in relation to contractually required contribution | <u>5,483</u> | <u>4,438</u> | <u>3,823</u> | <u>4,038</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| County's required contribution | \$ 4,228 | \$ 3,928 | \$ 3,670 | \$ - |
| Contributions in relation to contractually required contribution | <u>4,228</u> | <u>3,928</u> | <u>3,670</u> | <u>-</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

* Information is not required to be presented retroactively.

This schedule will not present 10 years' worth of information until fiscal year 2023.

Granville County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Last Five Fiscal Years

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Beginning Balance | \$ 1,920,442 | \$ 1,648,569 | \$ 1,669,988 | \$ 1,401,767 | \$ 1,350,911 |
| Service Cost | 85,321 | 82,772 | 77,889 | 69,248 | 69,009 |
| Interest on the total pension liability | 62,006 | 59,184 | 52,109 | 53,451 | 47,690 |
| Changes of benefit terms | - | - | - | - | - |
| Differences between expected and actual experience in the measurement of the total pension liability | 1,338 | 114,213 | (41,507) | 69,585 | - |
| Changes of assumptions or other inputs | 749,917 | 60,972 | (67,976) | 109,989 | (35,732) |
| Benefit payments | (36,812) | (45,268) | (41,934) | (34,052) | (30,111) |
| Other changes | - | - | - | - | - |
| Ending balance of the total pension liability | <u>\$ 2,782,212</u> | <u>\$ 1,920,442</u> | <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 is not required to be presented retroactively.

This schedule will not present 10 years' worth of information until fiscal year 2026.

Granville County, North Carolina
Schedule of Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
Last Five Fiscal Years

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|--------------|--------------|--------------|--------------|--------------|
| Total pension liability | \$ 2,782,212 | \$ 1,920,442 | \$ 1,648,569 | \$ 1,669,988 | \$ 1,401,767 |
| Covered payroll | 2,949,327 | 2,983,525 | 2,587,136 | 2,602,357 | 2,539,432 |
| Total pension liability as a percentage of covered payroll | 94.33% | 64.37% | 63.72% | 64.17% | 55.20% |

Note 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 is not required to be presented retroactively.

This schedule will not present 10 years' worth of information until fiscal year 2026.

Combining and Individual Fund
Statements and Schedules

Granville County, North Carolina
Schedule of Changes in Total OPEB Liability and Related Ratios
Healthcare Benefits Plan
Last Four Fiscal Years*

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Total OPEB Liability | | | | |
| Service cost | \$ 475,354 | \$ 420,482 | \$ 531,757 | \$ 613,574 |
| Interest on the total pension liability | 649,212 | 631,730 | 634,212 | 571,146 |
| Changes of benefit terms | - | - | - | - |
| Differences between expected and actual experience | (748,217) | (66,409) | (1,432,377) | (81,566) |
| Changes of assumptions or other inputs | 4,084,729 | 1,209,558 | (1,005,173) | (1,964,694) |
| Benefit payments | (430,404) | (293,825) | (313,276) | (284,256) |
| Net change in total OPEB liability | <u>4,030,674</u> | <u>1,901,536</u> | <u>(1,584,857)</u> | <u>(1,145,796)</u> |
| Total OPEB liability - beginning | <u>18,286,905</u> | <u>16,385,369</u> | <u>17,970,226</u> | <u>19,116,022</u> |
| Total OPEB liability - ending | <u><u>\$ 22,317,579</u></u> | <u><u>\$ 18,286,905</u></u> | <u><u>\$ 16,385,369</u></u> | <u><u>\$ 17,970,226</u></u> |
| Covered payroll | \$ 7,261,801 | \$ 9,186,294 | \$ 9,186,294 | \$ 9,248,413 |
| Total OPEB liability as a percentage of covered payroll | 307.33% | 199.07% | 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:

| | | | | |
|---------------|-------|-------|-------|-------|
| Discount Rate | 2.21% | 3.50% | 3.89% | 3.56% |
|---------------|-------|-------|-------|-------|

* Plan measurement date is the reporting date. Employer measurement date is one year prior to reporting date.

MAJOR GOVERNMENTAL FUNDS

Granville County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

| | 2021 | | Variance Positive (Negative) |
|--------------------------------------|-------------------|-------------------|------------------------------------|
| | Budget | Actual | |
| Revenues | | | |
| Ad valorem Taxes | | | |
| Current year | \$ 40,926,658 | \$ 42,197,781 | \$ 1,271,123 |
| Prior Year | 400,000 | 829,626 | 429,626 |
| Penalties and interest | 173,000 | 231,176 | 58,176 |
| Total | <u>41,499,658</u> | <u>43,258,583</u> | <u>1,758,925</u> |
| Sales and Other Taxes | | | |
| Article 39 one percent | | 2,723,342 | |
| Article 40 one-half of one percent | | 4,153,058 | |
| Article 42 one-half of one percent | | 2,325,083 | |
| Article 44 one-half of one percent | | 1,442,822 | |
| State excise tax - Register of Deeds | | 449,915 | |
| Beer and wine | | 161,069 | |
| Taxes on federal exempt land | | 25,174 | |
| Medicaid hold harmless | | 2,201,090 | |
| Occupancy taxes | | 220,555 | |
| Total | <u>11,911,750</u> | <u>13,702,108</u> | <u>1,790,358</u> |
| Licenses, Fees and Other Revenues | | | |
| Privilege licenses | | 3,274 | |
| Taxes on Oxford Housing Authority | | 13,294 | |
| Planning | | 78,930 | |
| Inspection | | 627,988 | |
| Boarding state and federal prisoners | | 95,592 | |
| Ambulance fees | | 9,903 | |
| Library fees | | 7,956 | |
| Rents | | 36,000 | |
| Sheriff's fees | | 88,444 | |
| Election fees | | 14 | |
| Franchise fees | | 110,907 | |
| Animal control | | 14,986 | |
| Collection fees | | 133,742 | |
| Senior Center fitness fees | | 2,015 | |
| Register of Deeds | | 328,837 | |
| GAP fees | | 15,130 | |
| Federal interest subsidy | | 394,111 | |
| E-911 allocation from Oxford | | 129,284 | |
| Book Sales | | 16,709 | |
| Miscellaneous | | 416,299 | |
| Sale of capital assets | | 49,788 | |
| Total | <u>2,520,000</u> | <u>2,573,203</u> | <u>53,203</u> |

Granville County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

| | 2021 | | Variance Positive (Negative) |
|---------------------------------------|------------|------------|------------------------------------|
| | Budget | Actual | |
| Restricted Intergovernmental | | | |
| Debt Contribution from hospital | | 1,604,845 | |
| Court facility fees | | 46,571 | |
| CSC officer's fees | | 8,439 | |
| Register of Deeds | | 50,140 | |
| ABC bottle tax | | 34,563 | |
| Federal and State grants | | 6,890,205 | |
| Excise recreation - Heritage | | 409,287 | |
| Jail fees | | 34,154 | |
| Sheriff Federal treasury seized funds | | - | |
| Sheriff wage refund | | 360,283 | |
| Building Reuse Grant | | 569,416 | |
| COVID-19 Relief / CARES Funding | | 48,240 | |
| Homeland Security Grant | | - | |
| CDBG | | 8,077 | |
| Miscellaneous | | 173,756 | |
| Total | 10,882,805 | 10,237,976 | (644,829) |
| Investment earnings | 510,000 | 11,852 | (498,148) |
| Miscellaneous | | | |
| Granville County ABC Board | 95,000 | 135,158 | 40,158 |
| Total | 95,000 | 135,158 | 40,158 |
| Total Revenues | 67,419,213 | 69,918,880 | 2,499,667 |
| Expenditures | | | |
| <u>General Government:</u> | | | |
| Board of Commissioners | | | |
| Salaries and employee benefits | | 149,318 | |
| Other operating expenditures | | 57,647 | |
| Capital outlay | | 4,887 | |
| Total | 326,498 | 211,852 | 114,646 |
| Administration | | | |
| Salaries and employee benefits | | 484,159 | |
| Other operating expenditures | | 27,997 | |
| Capital outlay | | 3,084 | |
| Total | 525,647 | 515,240 | 10,407 |

Granville County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

| | 2021 | | Variance |
|-----------------------------------|---------|---------|------------------------|
| | Budget | Actual | Positive (Negative) |
| Information Technology | | | |
| Salaries and employee benefits | | 312,818 | |
| Other operating expenditures | | 476,112 | |
| Capital outlay | | 6,352 | |
| Total | 837,561 | 795,282 | 42,279 |
| Board of Elections | | | |
| Salaries and employee benefits | | 405,022 | |
| Other operating expenditures | | 187,107 | |
| Capital outlay | | 214,448 | |
| Total | 927,512 | 806,577 | 120,935 |
| Finance Department | | | |
| Salaries and employee benefits | | 334,979 | |
| Other operating expenditures | | 114,091 | |
| Capital outlay | | - | |
| Total | 476,339 | 449,070 | 27,269 |
| Tax Administration | | | |
| Salaries and employee benefits | | 527,050 | |
| Other operating expenditures | | 341,539 | |
| Capital outlay | | 896 | |
| Total | 886,527 | 869,485 | 17,042 |
| Register of Deeds | | | |
| Salaries and employee benefits | | 259,333 | |
| Other operating expenditures | | 64,465 | |
| Total | 347,838 | 323,798 | 24,040 |
| General Services/Court Facilities | | | |
| Salaries and employee benefits | | 267,493 | |
| Other operating expenditures | | 312,924 | |
| Capital outlay | | 5,099 | |
| Total | 644,641 | 585,516 | 59,125 |
| Human Resources | | | |
| Salaries and employee benefits | | 149,098 | |
| Other operating expenditures | | 43,028 | |
| Capital outlay | | - | |
| Total | 207,574 | 192,126 | 15,448 |

Granville County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

| | 2021 | | Variance |
|---------------------------------------|-------------------|-------------------|------------------------|
| | Budget | Actual | Positive (Negative) |
| Internal Auditor | | | |
| Salaries and employee benefits | | 90,337 | |
| Other operating expenditures | | 1,289 | |
| Capital outlay | | - | |
| Total | 94,490 | 91,626 | 2,864 |
| <u>Total General Government</u> | <u>5,274,627</u> | <u>4,840,572</u> | <u>434,055</u> |
| <u>Public safety:</u> | | | |
| Other Emergency Services | 65,000 | 60,750 | 4,250 |
| Sheriff's Department/Detention Center | | | |
| Salaries and employee benefits | | 6,902,645 | |
| Other operating expenditures | | 1,750,681 | |
| Capital outlay | | 63,735 | |
| Total | 9,004,604 | 8,717,061 | 287,543 |
| Fire Service | 1,127,509 | 1,100,743 | 26,766 |
| DOJ Funds | | | |
| Forfeitures | | 147 | |
| Capital Outlay | | - | |
| Total | 485,000 | 147 | 484,853 |
| Forestry | | | |
| Salaries and employee benefits | | 36,464 | |
| Other operating expenditures | | 51,579 | |
| Total | 103,529 | 88,043 | 15,486 |
| Emergency Management | | | |
| Salaries and employee benefits | | 283,874 | |
| Other operating expenditures | | 115,906 | |
| Capital outlay | | 7,725 | |
| Total | 471,615 | 407,505 | 64,110 |
| Emergency Services | | | |
| Salaries and employee benefits | | 1,769,289 | |
| Other operating expenditures | | 326,943 | |
| Capital outlay | | 7,120 | |
| Total | 2,170,107 | 2,103,352 | 66,755 |
| <u>Total Public Safety</u> | <u>13,427,364</u> | <u>12,477,601</u> | <u>949,763</u> |

Granville County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

| | 2021 | | Variance |
|--------------------------------|-----------|-----------|------------------------|
| | Budget | Actual | Positive (Negative) |
| <u>Community Services:</u> | | | |
| Cooperative Extension Service | | | |
| Salaries and employee benefits | | 282,977 | |
| Other operating expenditures | | 46,323 | |
| Capital outlay | | 10,531 | |
| Total | 428,838 | 339,831 | 89,007 |
| County Library System | | | |
| Salaries and employee benefits | | 858,451 | |
| Other operating expenditures | | 272,107 | |
| Capital outlay | | 14,298 | |
| Total | 1,226,289 | 1,144,856 | 81,433 |
| Recreation & Community Service | | | |
| Other operating expenditures | | 75,789 | |
| Total | 92,579 | 75,789 | 16,790 |
| Development Services | | | |
| Planning | | | |
| Salaries and employee benefits | | 369,118 | |
| Other operating expenditures | | 18,118 | |
| Capital outlay | | 650 | |
| Inspection Department | | | |
| Salaries and employee benefits | | 661,597 | |
| Other operating expenditures | | 43,005 | |
| Capital outlay | | 870 | |
| Construction Administration | | | |
| Other operating expenditures | | - | |
| Capital outlay | | 1,396,957 | |
| Total | 3,254,478 | 2,490,315 | 764,163 |
| Soil Conservation Program | | | |
| Salaries and employee benefits | | 84,917 | |
| Other operating expenditures | | 2,062 | |
| Total | 85,600 | 86,979 | (1,379) |
| Jonesland Park Operations | | | |
| Salaries and employee benefits | | 249,190 | |
| Other operating expenditures | | 131,223 | |
| Capital outlay | | 42,857 | |
| Total | 468,706 | 423,270 | 45,436 |

Granville County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

| | 2021 | | Variance Positive (Negative) |
|---------------------------------------|-------------------|-------------------|------------------------------------|
| | Budget | Actual | |
| Economic Development | | | |
| Salaries and employee benefits | | 166,967 | |
| Other operating expenditures | | 95,222 | |
| Capital outlay | | - | |
| Total | 270,843 | 262,189 | 8,654 |
| Tourism | | | |
| Salaries and employee benefits | | 72,811 | |
| Total | 72,948 | 72,811 | 137 |
| <u>Total Community Service</u> | <u>5,900,281</u> | <u>4,896,040</u> | <u>1,004,241</u> |
| <u>Human Services:</u> | | | |
| Health and Medical Services | | | |
| Granville Medical Center | | 1,172,091 | |
| Granville-Vance District Health Dept. | | 980,084 | |
| Area Mental Health | | 133,434 | |
| Total | 2,302,137 | 2,285,609 | 16,528 |
| Social Services | | | |
| Salaries and employee benefits | | 5,239,601 | |
| Other operating expenditures | | 1,563,079 | |
| Capital outlay | | 60,180 | |
| Total | 7,779,270 | 6,862,860 | 916,410 |
| Veterans Services | | | |
| Salaries and employee benefits | | 65,085 | |
| Other operating expenditures | | 6,291 | |
| Capital outlay | | 1,363 | |
| Total | 75,567 | 72,739 | 2,828 |
| Senior Services-Nutrition/In-Home Aid | | | |
| Salaries and employee benefits | | 695,724 | |
| Other operating expenditures | | 569,507 | |
| Capital outlay | | 43,742 | |
| Total | 1,385,189 | 1,308,973 | 76,216 |
| <u>Total Human Services</u> | <u>11,542,163</u> | <u>10,530,181</u> | <u>1,011,982</u> |

Granville County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

| | 2021 | | Variance Positive (Negative) |
|---|------------|------------|------------------------------------|
| | Budget | Actual | |
| <u>Education:</u> | | | |
| Granville County School System | | | |
| Current Expense | 16,633,489 | 16,633,489 | - |
| Capital | 1,535,995 | 1,535,995 | - |
| 21st Century School Grant | 114,436 | 58,268 | 56,168 |
| Total | 18,283,920 | 18,227,752 | 56,168 |
| Vance-Granville Community College | | | |
| Operating expenditures | | 755,778 | |
| Capital Outlay | | 206,638 | |
| Total | 962,416 | 962,416 | - |
| <u>Total Education</u> | 19,246,336 | 19,190,168 | 56,168 |
| <u>Non-Departmental & Special Areas</u> | | | |
| Special Projects | 337,723 | 313,405 | 24,318 |
| Pass Thru Funds | 772,072 | 733,282 | 38,790 |
| Non-Departmental | 3,309,980 | 2,240,380 | 1,069,600 |
| Granville County Tourism Development | 220,000 | 220,406 | (406) |
| Contingency | 10,960 | - | 10,960 |
| Total Non-Departmental & Special Areas | 4,650,735 | 3,507,473 | 1,143,262 |
| <u>Debt Service</u> | | | |
| Hospital Financing | | | |
| Principal | | 850,128 | |
| Interest | | 754,717 | |
| Total | 1,605,316 | 1,604,845 | 471 |
| Park Financing | | | |
| Principal | | 19,919 | |
| Interest | | 3,579 | |
| Total | 23,499 | 23,498 | 1 |

Granville County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

| | 2021 | | Variance Positive (Negative) |
|---|--------------------|-------------------|------------------------------------|
| | Budget | Actual | |
| Water & Sewer Allocation-Triangle North | | | |
| Principal | | 1,444,231 | |
| Interest | | 126,739 | |
| Total | <u>1,570,970</u> | <u>1,570,970</u> | <u>-</u> |
| Schools Debt Service | | | |
| Principal | | 4,421,241 | |
| Interest | | 1,501,032 | |
| Total | <u>6,554,196</u> | <u>5,922,273</u> | <u>631,923</u> |
| Library Series 2009 | | | |
| Principal | | 435,833 | |
| Interest | | 88,707 | |
| Total | <u>524,542</u> | <u>524,540</u> | <u>2</u> |
| Law Enforcement Center Debt | | | |
| Principal | | 1,385,000 | |
| Interest | | 1,222,491 | |
| Total | <u>2,607,675</u> | <u>2,607,491</u> | <u>184</u> |
| Bond Issuance Cost | <u>120,000</u> | <u>87,250</u> | <u>32,750</u> |
| Animal Control Debt | | | |
| Interest | | - | |
| Total | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Total Debt Service</u> | <u>13,006,198</u> | <u>12,340,867</u> | <u>665,331</u> |
| Total expenditures | <u>73,047,704</u> | <u>67,782,902</u> | <u>5,264,802</u> |
| Revenue over (under) expenditures | <u>(5,628,491)</u> | <u>2,135,978</u> | <u>7,764,469</u> |

Granville County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

| | 2021 | | Variance Positive (Negative) |
|--|--------------------|----------------------|------------------------------------|
| | Budget | Actual | |
| Other financing sources (uses): | | | |
| Transfers-in: | | | |
| Coronavirus Relief Fund | 436,464 | 436,464 | - |
| CARES / HAVA Grant | - | 9,603 | 9,603 |
| Emergency Telephone System Fund | | 250 | |
| Total transfers-in | <u>436,464</u> | <u>446,317</u> | <u>9,603</u> |
| Transfers-out: | | | |
| GAP Phase III Project Fund | (998,060) | (998,060) | - |
| Coronavirus Relief Fund | (325,598) | (325,598) | - |
| CARES / HAVA Grant | (5,000) | (3,762) | 1,238 |
| DOJ Funds | (15,000) | - | 15,000 |
| Solid Waste Management Fund | (19,936) | - | 19,936 |
| Health Plan | (183,000) | (183,000) | - |
| Total transfers-out | <u>(1,546,594)</u> | <u>(1,510,420)</u> | <u>36,174</u> |
| Refunding bonds issued | 6,060,000 | 6,060,000 | - |
| Payment to refunded bond escrow agent | (5,865,000) | (5,995,672) | (130,672) |
| Fund balance appropriated | 6,543,621 | - | (6,543,621) |
| Total other financing sources (uses) | <u>5,628,491</u> | <u>(999,775)</u> | <u>(6,628,516)</u> |
| Excess of revenues and other sources over (under expenditures and other uses) | <u>\$ -</u> | 1,136,203 | <u>\$ 1,135,953</u> |
| Fund balance- July 1 | | <u>44,557,283</u> | |
| Fund balance- June 30 | | <u>\$ 45,693,486</u> | |

NON-MAJOR GOVERNMENTAL FUNDS

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.

Coronavirus Relief Fund: This fund is used to account for the receipts and disbursements associated with Coronavirus Relief Funds received.

CARES/HAVA Election Grant Fund: This fund is used to account for the receipts and disbursements associated with Grants received for elections equipment and safeguards needed as a result of the Coronavirus pandemic.

Sheriff Special Account Fund: This fund is used to account for taxes received on confiscated drugs.

Representative Payee Fund: This fund is used to account for funds received on behalf of benefit recipients that the County holds on their behalf.

Capital Project Fund

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

Falls Meadow/Montgomery Place Project Fund: This fund is used to account for subdivision projects.

GAP Phase III Project Fund: This fund is used to account for construction of recreation facilities at the GAP.

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
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2021

Exhibit C-1
(continued)

| | Special Revenue Funds | | | | | | Total Non-Major Special Revenue Funds |
|---|--|---|-------------------------------|-----------------------------------|-------------------------------------|---------------------------------|---|
| | Emergency Telephone System Fund | R.H.Thornton Library Memorial Fund | Coronavirus Relief Fund | CARES / HAVA Election Grant | Sheriff Special Account Funds | Representative Payee Fund | |
| ASSETS | | | | | | | |
| Current Assets: | | | | | | | |
| Cash and cash equivalents | \$ 364,200 | \$ 186,010 | \$ - | \$ 217,112 | \$ 88,130 | \$ 84,047 | \$ 939,499 |
| Restricted cash | - | - | - | - | - | - | - |
| Accounts receivable | 31,491 | - | - | - | - | - | 31,491 |
| Prepaid items | - | - | - | - | - | - | - |
| Total assets | <u>395,691</u> | <u>186,010</u> | <u>-</u> | <u>217,112</u> | <u>88,130</u> | <u>84,047</u> | <u>970,990</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable and accrued liabilities | 276 | 600 | - | 164,011 | - | - | 164,887 |
| Due to other funds | - | - | 400 | - | - | - | 400 |
| Total liabilities | <u>276</u> | <u>600</u> | <u>400</u> | <u>164,011</u> | <u>-</u> | <u>-</u> | <u>165,287</u> |
| Fund balances: | | | | | | | |
| Restricted: | | | | | | | |
| Stabilization by State Statute | 31,491 | - | - | - | - | - | 31,491 |
| Community Services | - | 185,410 | - | - | - | - | 185,410 |
| Education | - | - | - | - | - | - | - |
| Human Services | - | - | - | - | - | 84,047 | 84,047 |
| Public Safety | 363,924 | - | - | - | 88,130 | - | 452,054 |
| Unassigned | - | - | (400) | 53,101 | - | - | 52,701 |
| Total fund balances | <u>395,415</u> | <u>185,410</u> | <u>(400)</u> | <u>53,101</u> | <u>88,130</u> | <u>84,047</u> | <u>805,703</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 395,691</u> | <u>\$ 186,010</u> | <u>\$ -</u> | <u>\$ 217,112</u> | <u>\$ 88,130</u> | <u>\$ 84,047</u> | <u>\$ 970,990</u> |

Granville County, North Carolina
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2021

Exhibit C-1
(continued)

| | Capital Project Funds | | | | | | |
|---|--|---|-------------------------------------|-------------------------------------|--------------------------------------|---|---|
| | Granville Greenway Project Fund | Falls Meadow Montgomery Place Project Fund | GAP Phase III Project Fund | School Repair Project Fund | Law Enforcement Center Fund | Total Non-Major Capital Project Funds | Total Non-Major Governmental Funds |
| ASSETS | | | | | | | |
| Current Assets: | | | | | | | |
| Cash and cash equivalents | \$ 97,263 | \$ 211,338 | \$ - | \$ 2,739,679 | \$ 2,488,954 | \$ 5,537,234 | \$ 6,476,733 |
| Restricted cash | - | - | - | - | - | - | - |
| Accounts receivable | - | - | - | 3,431 | - | 3,431 | 34,922 |
| Prepaid items | - | - | - | - | - | - | - |
| Total assets | <u>97,263</u> | <u>211,338</u> | <u>-</u> | <u>2,743,110</u> | <u>2,488,954</u> | <u>5,540,665</u> | <u>6,511,655</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable and accrued liabilities | - | - | - | \$ - | \$ - | - | 164,887 |
| Due to other funds | - | 229,287 | 125,661 | - | - | 354,948 | 355,348 |
| Total liabilities | <u>-</u> | <u>229,287</u> | <u>125,661</u> | <u>-</u> | <u>-</u> | <u>354,948</u> | <u>520,235</u> |
| Fund balances: | | | | | | | |
| Restricted: | | | | | | | |
| Stabilization by State Statute | - | - | - | 3,431 | - | 3,431 | 34,922 |
| Community Services | 97,263 | - | - | - | - | 97,263 | 282,673 |
| Education | - | - | - | 2,739,679 | - | 2,739,679 | 2,739,679 |
| Human Services | - | - | - | - | - | - | 84,047 |
| Public Safety | - | - | - | - | 2,488,954 | 2,488,954 | 2,941,008 |
| Unassigned | - | (17,949) | (125,661) | - | - | (143,610) | (90,909) |
| Total fund balances | <u>97,263</u> | <u>(17,949)</u> | <u>(125,661)</u> | <u>2,743,110</u> | <u>2,488,954</u> | <u>5,185,717</u> | <u>5,991,420</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 97,263</u> | <u>\$ 211,338</u> | <u>\$ -</u> | <u>\$ 2,743,110</u> | <u>\$ 2,488,954</u> | <u>\$ 5,540,665</u> | <u>\$ 6,511,655</u> |

Granville County, North Carolina
Non-Major Governmental Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2021

Exhibit C-2
(continued)

| | Special Revenue Funds | | | | | | Total Non-Major Special Revenue Funds |
|---|--|---|-------------------------------|-----------------------------------|-------------------------------------|---------------------------------|---|
| | Emergency Telephone System Fund | R.H.Thornton Library Memorial Fund | Coronavirus Relief Fund | CARES / HAVA Election Grant | Sheriff Special Account Funds | Representative Payee Fund | |
| REVENUES | | | | | | | |
| Restricted intergovernmental revenues | \$ 375,060 | \$ - | \$ 2,080,904 | \$ 193,320 | \$ - | \$ 189,230 | \$ 2,838,514 |
| Unrestricted intergovernmental revenues | - | - | - | - | - | - | - |
| Sales and other taxes | - | - | - | - | 6,706 | - | 6,706 |
| Licenses, fees, and other revenues | - | - | - | - | - | - | - |
| Investment earnings | 30 | 56 | - | - | - | - | 86 |
| Miscellaneous | - | 2,252 | - | - | - | - | 2,252 |
| Total revenues | <u>375,090</u> | <u>2,308</u> | <u>2,080,904</u> | <u>193,320</u> | <u>6,706</u> | <u>189,230</u> | <u>2,847,558</u> |
| EXPENDITURES | | | | | | | |
| General Government | - | - | - | 134,378 | - | - | 134,378 |
| Public Safety | 521,337 | - | - | - | 3,823 | - | 525,160 |
| Community services | - | 20,458 | - | - | - | - | 20,458 |
| Human Services | - | - | 1,970,438 | - | - | 189,641 | 2,160,079 |
| Education | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Total expenditures | <u>521,337</u> | <u>20,458</u> | <u>1,970,438</u> | <u>134,378</u> | <u>3,823</u> | <u>189,641</u> | <u>2,840,075</u> |
| Revenues over (under) Expenditures | <u>(146,247)</u> | <u>(18,150)</u> | <u>110,466</u> | <u>58,942</u> | <u>2,883</u> | <u>(411)</u> | <u>7,483</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers in (out) | | | | | | | |
| General Fund | <u>(250)</u> | <u>-</u> | <u>(110,866)</u> | <u>(5,841)</u> | <u>-</u> | <u>-</u> | <u>(116,957)</u> |
| Total other financing sources (uses) | <u>(250)</u> | <u>-</u> | <u>(110,866)</u> | <u>(5,841)</u> | <u>-</u> | <u>-</u> | <u>(116,957)</u> |
| Change in Fund Balances | (146,497) | (18,150) | (400) | 53,101 | 2,883 | (411) | (109,474) |
| Fund balance, beginning, as previously reported | 541,912 | 203,560 | - | - | - | - | 745,472 |
| Prior Period Restatement - change in accounting principle | - | - | - | - | 85,247 | 84,458 | 169,705 |
| Fund balance, beginning, as restated | <u>541,912</u> | <u>203,560</u> | <u>-</u> | <u>-</u> | <u>85,247</u> | <u>84,458</u> | <u>915,177</u> |
| Fund Balance, ending | <u>\$ 395,415</u> | <u>\$ 185,410</u> | <u>\$ (400)</u> | <u>\$ 53,101</u> | <u>\$ 88,130</u> | <u>\$ 84,047</u> | <u>\$ 805,703</u> |

Granville County, North Carolina
Non-Major Governmental Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2021

Exhibit C-2
(continued)

| | Capital Project Funds | | | | | | |
|---|--|---|-------------------------------------|-------------------------------------|--------------------------------------|---|---|
| | Granville Greenway Project Fund | Falls Meadow Montgomery Place Project Fund | GAP Phase III Project Fund | School Repair Project Fund | Law Enforcement Center Fund | Total Non-Major Capital Project Funds | Total Non-Major Governmental Funds |
| REVENUES | | | | | | | |
| Restricted intergovernmental revenues | \$ - | \$ - | \$ 340,000 | \$ - | \$ - | \$ 340,000 | \$ 3,178,514 |
| Unrestricted intergovernmental revenues | - | - | - | - | - | - | - |
| Sales and other taxes | - | - | - | - | - | - | 6,706 |
| Licenses, fees, and other revenues | - | 32,476 | - | - | - | 32,476 | 32,476 |
| Investment earnings | - | - | - | - | 310 | 310 | 396 |
| Miscellaneous | - | - | 1,700 | - | - | 1,700 | 3,952 |
| Total revenues | - | 32,476 | 341,700 | - | 310 | 374,486 | 3,222,044 |
| EXPENDITURES | | | | | | | |
| General Government | - | - | - | - | - | - | 134,378 |
| Public Safety | - | - | - | - | - | - | 525,160 |
| Community services | - | - | - | - | - | - | 20,458 |
| Human Services | - | - | - | - | - | - | 2,160,079 |
| Education | - | - | - | 409,387 | - | 409,387 | 409,387 |
| Capital outlay | - | - | 1,406,949 | - | 1,345,336 | 2,752,285 | 2,752,285 |
| Debt service | - | - | - | - | - | - | - |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Total expenditures | - | - | 1,406,949 | 409,387 | 1,345,336 | 3,161,672 | 6,001,747 |
| Revenues over (under) Expenditures | - | 32,476 | (1,065,249) | (409,387) | (1,345,026) | (2,787,186) | (2,779,703) |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers in (out) | | | | | | | |
| General Fund | - | - | 998,060 | - | - | 998,060 | 881,103 |
| Total other financing sources (uses) | - | - | 998,060 | - | - | 998,060 | 881,103 |
| Change in Fund Balances | - | 32,476 | (67,189) | (409,387) | (1,345,026) | (1,789,126) | (1,898,600) |
| Fund balance, beginning, as previously reported | 97,263 | (50,425) | (58,472) | 3,152,497 | 3,833,980 | 6,974,843 | 7,720,315 |
| Prior Period Restatement - change in accounting principle | - | - | - | - | - | - | 169,705 |
| Fund balance, beginning, as restated | 97,263 | (50,425) | (58,472) | 3,152,497 | 3,833,980 | 6,974,843 | 7,890,020 |
| Fund Balance, ending | \$ 97,263 | \$ (17,949) | \$ (125,661) | \$ 2,743,110 | \$ 2,488,954 | \$ 5,185,717 | \$ 5,991,420 |

Granville County, North Carolina
Emergency Telephone System Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
For the Year Ended June 30, 2021

| | Budget | Actual | Variance Positive (Negative) |
|--|----------------|-------------------|------------------------------------|
| <u>REVENUES</u> | | | |
| Restricted intergovernmental revenues | | | |
| State Cell Surcharge | \$ 374,803 | \$ 375,060 | \$ 257 |
| Investment earnings | 202,000 | 30 | (201,970) |
| Total revenues | <u>576,803</u> | <u>375,090</u> | <u>(201,713)</u> |
| <u>EXPENDITURES</u> | | | |
| Public safety | | | |
| Telephone | | 155,843 | |
| Other operating expenditures | | 282,006 | |
| Capital outlay | | 83,488 | |
| Total Expenditures | <u>576,803</u> | <u>521,337</u> | <u>-</u> |
| Revenues over (under) expenditures | <u>-</u> | <u>(146,247)</u> | <u>(201,713)</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfer (to) from other funds | | | |
| General Fund | <u>-</u> | <u>(250)</u> | <u>(250)</u> |
| Total | <u>-</u> | <u>(250)</u> | <u>(250)</u> |
| Revenues and Other Sources over (under) | | | |
| Expenditures and other uses | <u>\$ -</u> | <u>(146,497)</u> | <u>\$ (201,963)</u> |
| <u>FUND BALANCE</u> | | | |
| Fund balance, beginning- July 1 | | <u>541,912</u> | |
| Fund balance, ending - June 30 | | <u>\$ 395,415</u> | |
| <u>Explanation for transfers</u> | | | |
| Transfer from the General Fund to adjust beginning balance to actual | | <u>\$ -</u> | |
| <u>Emergency Telephone System Unspent Balance</u> | | | |
| Amounts reported above are different from the PSAP Revenue-Expenditure Report because: | | | |
| Net Change in Fund Balance, reported on Budget to Actual | | \$ (146,497) | |
| Plus: Transfers to General Fund to adjust fund balance to the proper beginning balance | | <u>(34)</u> | |
| Net Change per PSAP Revenue-Expenditure Report | | <u>(146,531)</u> | |
| Beginning Balance, PSAP Revenue-Expenditure Report | | 541,912 | |
| Ending Balance, PSAP Revenue-Expenditure Report | | <u>\$ 395,381</u> | |

Granville County, North Carolina
R. H. Thornton Library Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
For the Year Ended June 30, 2021

| | Budget | Actual | Variance Positive (Negative) |
|--|---------------|-------------------|------------------------------------|
| <u>REVENUES</u> | | | |
| Donations | \$ 20,000 | \$ 2,252 | \$ (17,748) |
| Investment earnings | - | 56 | 56 |
| Total Revenues | <u>20,000</u> | <u>2,308</u> | <u>(17,692)</u> |
| <u>EXPENDITURES</u> | | | |
| Projects | <u>20,000</u> | <u>20,458</u> | <u>(458)</u> |
| Total Expenditures | <u>20,000</u> | <u>20,458</u> | <u>(458)</u> |
| Revenues over (under) expenditures | <u>-</u> | <u>(18,150)</u> | <u>(18,150)</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfer-in (out) | | | |
| General Fund | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues and Other Sources over (under) | | | |
| Expenditures and other uses | <u>\$ -</u> | <u>(18,150)</u> | <u>\$ (18,150)</u> |
| FUND BALANCE | | | |
| Fund balance, beginning- July 1 | | <u>203,560</u> | |
| Fund balance, ending - June 30 | | <u>\$ 185,410</u> | |

Granville County, North Carolina
Coronavirus Relief Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
For the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--|------------------|------------------|---|
| <u>REVENUES</u> | | | |
| CARES Act Funding | \$ 2,080,904 | \$ 2,080,904 | \$ - |
| Investment earnings | 400 | - | (400) |
| Total Revenues | <u>2,081,304</u> | <u>2,080,904</u> | <u>(400)</u> |
| <u>EXPENDITURES</u> | | | |
| Disbursements to other governments | 1,911,502 | 1,911,502 | - |
| COVID Relief | 58,936 | 58,936 | - |
| Total Expenditures | <u>1,970,438</u> | <u>1,970,438</u> | <u>-</u> |
| Revenues over (under) expenditures | <u>110,866</u> | <u>110,466</u> | <u>(400)</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfer-in (out) | | | |
| General Fund | 325,598 | 325,598 | - |
| General Fund | <u>(436,464)</u> | <u>(436,464)</u> | <u>-</u> |
| Total Other Financing Sources (uses) | <u>(110,866)</u> | <u>(110,866)</u> | <u>-</u> |
| Revenues and Other Sources over (under) | | | |
| Expenditures and other uses | <u>\$ -</u> | <u>(400)</u> | <u>\$ (400)</u> |
| FUND BALANCE | | | |
| Fund balance, beginning- July 1 | | <u>-</u> | |
| Fund balance, ending - June 30 | | <u>\$ (400)</u> | |

Granville County, North Carolina
CARES Act Election Grant Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
For the Year Ended June 30, 2021

| | Budget | Actual | Variance Positive (Negative) |
|--|----------------|------------------|------------------------------------|
| <u>REVENUES</u> | | | |
| CARES Act Grant | \$ 80,188 | \$ 133,292 | \$ 53,104 |
| HAVA Grant | 60,028 | 60,028 | - |
| Total Revenues | <u>140,216</u> | <u>193,320</u> | <u>53,104</u> |
| <u>EXPENDITURES</u> | | | |
| CARES Act Grant | 83,772 | 83,772 | - |
| HAVA Grant | 50,603 | 50,606 | (3) |
| Total Expenditures | <u>134,375</u> | <u>134,378</u> | <u>(3)</u> |
| Revenues over (under) expenditures | <u>5,841</u> | <u>58,942</u> | <u>53,101</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfer-in (out) | | | |
| General Fund | <u>(5,841)</u> | <u>(5,841)</u> | <u>-</u> |
| Total Other Financing Sources (uses) | <u>(5,841)</u> | <u>(5,841)</u> | <u>-</u> |
| Revenues and Other Sources over (under) Expenditures and other uses | <u>\$ -</u> | <u>53,101</u> | <u>\$ 53,101</u> |
| FUND BALANCE | | | |
| Fund balance, beginning- July 1 | | <u>-</u> | |
| Fund balance, ending - June 30 | | <u>\$ 53,101</u> | |

Granville County, North Carolina
Special Sheriff Account Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
For the Year Ended June 30, 2021

| | Budget | Actual | Variance Positive (Negative) |
|--|---------------|------------------|------------------------------------|
| <u>REVENUES</u> | | | |
| Sheriff Special Revenue | \$ 30,000 | \$ 6,706 | \$ (23,294) |
| Total Revenues | <u>30,000</u> | <u>6,706</u> | <u>(23,294)</u> |
| <u>EXPENDITURES</u> | | | |
| Public Safety: | | | |
| Sheriff Special Revenue | 30,000 | 3,823 | 26,177 |
| Total Expenditures | <u>30,000</u> | <u>3,823</u> | <u>26,177</u> |
| Revenues over (under) expenditures | <u>-</u> | <u>2,883</u> | <u>2,883</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfer-in (out) | | | |
| General Fund | - | - | - |
| Total Other Financing Sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues and Other Sources over (under) Expenditures and other uses | <u>\$ -</u> | <u>2,883</u> | <u>\$ 2,883</u> |
| Fund balance, beginning, as previously reported | | - | |
| Prior Period Restatement - change in accounting principle | | <u>85,247</u> | |
| Fund balance, beginning, as restated | | <u>85,247</u> | |
| Fund balance, ending | | <u>\$ 88,130</u> | |

Granville County, North Carolina
ARP Grant Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
For the Year Ended June 30, 2021

| | Budget | Actual | Variance Positive (Negative) |
|--|--------------|--------|------------------------------------|
| <u>REVENUES</u> | | | |
| ARP Grant | \$11,740,344 | \$ - | \$ (11,740,344) |
| Total Revenues | 11,740,344 | - | (11,740,344) |
| <u>EXPENDITURES</u> | | | |
| Water Infrastructure | 3,522,103 | - | 3,522,103 |
| Broadband | 3,522,103 | - | 3,522,103 |
| Economic Relief | 1,174,035 | - | 1,174,035 |
| Health Care | 3,522,103 | - | 3,522,103 |
| Total Expenditures | 11,740,344 | - | 11,740,344 |
| Revenues over (under) expenditures | - | - | - |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfer-in (out) | | | |
| General Fund | - | - | - |
| Total Other Financing Sources (uses) | - | - | - |
| Revenues and Other Sources over (under) | | | |
| Expenditures and other uses | \$ - | - | \$ - |
| Fund balance, beginning- July 1 | | - | |
| Fund balance, ending - June 30 | | \$ - | |

Granville County, North Carolina
Representative Payee Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
June 30, 2021

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Over/Under</u> |
|--|---------------------|------------------|--------------------------------|
| Revenues: | | | |
| Restricted intergovernmental | \$ 200,000 | \$ 189,230 | \$ (10,770) |
| Expenditures: | | | |
| Human services | | | |
| Payments made for the benefit of beneficiaries | 200,000 | 189,641 | 10,359 |
| Other Financing Sources(Uses): | | | |
| Fund Balance Appropriated | - | - | - |
| Net change in fund balance | <u>\$ -</u> | <u>(411)</u> | <u>\$ (411)</u> |
| Fund balance, beginning, as previously reported | | - | |
| Prior Period Restatement - change in accounting principle | | <u>84,458</u> | |
| Fund balance, beginning, as restated | | <u>84,458</u> | |
| Fund balance, ending | | <u>\$ 84,047</u> | |

Granville County, North Carolina
Granville Greenway Project Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

| | Project Authorization | Prior Years | Current Year | Total to Date | Variance Positive (Negative) |
|--|--------------------------|------------------|------------------|------------------|------------------------------------|
| <u>REVENUES</u> | | | | | |
| 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 Revenue | <u>1,689,526</u> | <u>629,492</u> | <u>-</u> | <u>629,492</u> | <u>(1,060,034)</u> |
| <u>EXPENDITURES</u> | | | | | |
| Professional Services | | 223,553 | - | 223,553 | |
| Supplies and Materials | | 406 | - | 406 | |
| Easements and ROW | | - | - | - | |
| Construction Contingency | | - | - | - | |
| Greenway Construction | | 481,843 | - | 481,843 | |
| Total | <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> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | | |
| Transfer-in (out) | | | | | |
| General Fund | 249,995 | 173,573 | - | 173,573 | (76,422) |
| Total Other Financing Sources (Uses) | <u>249,995</u> | <u>173,573</u> | <u>-</u> | <u>173,573</u> | <u>(76,422)</u> |
| Revenues and Other Financing Sources | | | | | |
| Over (Under) Expenditures and Other Uses | <u>\$ -</u> | <u>\$ 97,263</u> | <u>-</u> | <u>\$ 97,263</u> | <u>\$ 97,263</u> |
| Fund balance, beginning | | | <u>97,263</u> | | |
| Fund balance, ending | | | <u>\$ 97,263</u> | | |

Granville County, North Carolina
Falls Meadow/Montgomery Place Project Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

| | Project Authorization | Prior Years | Current Year | Total to Date | Variance Positive (Negative) |
|------------------------------------|--------------------------|--------------------|--------------------|--------------------|------------------------------------|
| <u>REVENUES</u> | | | | | |
| Licenses, fees and other revenues | | | | | |
| Assessment revenue | \$ 380,070 | \$ 285,183 | \$ 32,476 | \$ 317,659 | \$ (62,411) |
| Total Revenues | <u>380,070</u> | <u>285,183</u> | <u>32,476</u> | <u>317,659</u> | <u>(62,411)</u> |
| <u>EXPENDITURES</u> | | | | | |
| 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>335,608</u> | <u>-</u> | <u>335,608</u> | <u>44,462</u> |
| Revenues over (under) expenditures | <u>\$ -</u> | <u>\$ (50,425)</u> | 32,476 | <u>\$ (17,949)</u> | <u>\$ (17,949)</u> |
| Fund balance, beginning- July 1 | | | <u>(50,425)</u> | | |
| Fund balance, ending - June 30 | | | <u>\$ (17,949)</u> | | |

Granville County, North Carolina
GAP Phase III Project Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

| | Project Authorization | Prior Years | Current Year | Total to Date | Variance Positive (Negative) |
|--|--------------------------|--------------------|---------------------|---------------------|------------------------------------|
| <u>REVENUES</u> | | | | | |
| Restricted Intergovernmental revenues: | | | | | |
| USTA Grant | \$ 70,000 | \$ - | \$ 70,000 | \$ 70,000 | \$ - |
| Land & Water Conservation Fund Grant | 250,000 | - | - | - | (250,000) |
| PARTF Grant | 300,000 | - | 270,000 | 270,000 | (30,000) |
| Fifteen for 15 Campaign | 13,500 | 11,798 | 1,700 | 13,498 | (2) |
| Total Revenues | <u>633,500</u> | <u>11,798</u> | <u>341,700</u> | <u>353,498</u> | <u>(280,002)</u> |
| <u>EXPENDITURES</u> | | | | | |
| Capital outlay | | | | | |
| GAP Phase III | <u>2,131,560</u> | <u>570,270</u> | <u>1,406,949</u> | <u>1,977,219</u> | <u>154,341</u> |
| Total Expenditures | <u>2,131,560</u> | <u>570,270</u> | <u>1,406,949</u> | <u>1,977,219</u> | <u>154,341</u> |
| Revenues over (under) expenditures | <u>(1,498,060)</u> | <u>(558,472)</u> | <u>(1,065,249)</u> | <u>(1,623,721)</u> | <u>(125,661)</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | | |
| Transfer-in (out) | | | | | |
| General Fund | <u>1,498,060</u> | <u>500,000</u> | <u>998,060</u> | <u>1,498,060</u> | <u>-</u> |
| Total Other Financing Sources (uses) | <u>1,498,060</u> | <u>500,000</u> | <u>998,060</u> | <u>1,498,060</u> | <u>-</u> |
| Revenues and Other Sources over (under) | | | | | |
| Expenditures and other uses | <u>\$ -</u> | <u>\$ (58,472)</u> | <u>(67,189)</u> | <u>\$ (125,661)</u> | <u>\$ (125,661)</u> |
| FUND BALANCE | | | | | |
| Fund balance, beginning- July 1 | | | <u>(58,472)</u> | | |
| Fund balance, ending - June 30 | | | <u>\$ (125,661)</u> | | |

Granville County, North Carolina
School Repair Project Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

| | | Actual | | | Variance |
|--|--------------------------|----------------|-----------------|------------------|------------------------|
| | Project Authorization | Prior Years | Current Year | Total to Date | Positive (Negative) |
| <u>REVENUES</u> | | | | | |
| Restricted intergovernmental revenues | | | | | |
| Federal and state grants | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Revenues | - | - | - | - | - |
| <u>EXPENDITURES</u> | | | | | |
| Capital Outlay | | | | | |
| HVAC repair | - | 9,843,587 | 39,753 | 9,883,340 | |
| Roofing repair | - | 1,676,357 | 369,634 | 2,045,991 | |
| Legal and financing fees | - | 82,559 | - | 82,559 | |
| Total Expenditures | 14,755,000 | 11,602,503 | 409,387 | 12,011,890 | 2,743,110 |
| Revenues over (under) expenditures | (14,755,000) | (11,602,503) | (409,387) | (12,011,890) | 2,743,110 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | | |
| Transfers-in (out) | | | | | |
| General Fund | 7,000,000 | 7,000,000 | - | 7,000,000 | - |
| General Fund | (350,000) | (350,000) | - | (350,000) | - |
| Debt proceeds | 8,105,000 | 8,105,000 | - | 8,105,000 | - |
| Total other financing sources (uses) | 14,755,000 | 14,755,000 | - | 14,755,000 | - |
| Revenues and other sources over (under) expenditures and other uses | \$ - | \$ 3,152,497 | (409,387) | \$ 2,743,110 | \$ 2,743,110 |
| Fund balance, beginning | | | 3,152,497 | | |
| Fund balance, ending | | | \$ 2,743,110 | | |

Granville County, North Carolina
Law Enforcement Center Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

| | | Actual | | | Variance |
|--|--------------------------|---------------------|---------------------|---------------------|------------------------|
| | Project Authorization | Prior Years | Current Year | Total to Date | Positive (Negative) |
| <u>REVENUES</u> | | | | | |
| Miscellaneous | | | | | |
| Donations | \$ 521,806 | \$ 770 | \$ - | \$ 770 | \$ (521,036) |
| Interest on investments | - | 885,821 | 310 | 886,131 | 886,131 |
| Total Revenue | <u>521,806</u> | <u>886,591</u> | <u>310</u> | <u>886,901</u> | <u>365,095</u> |
| <u>EXPENDITURES</u> | | | | | |
| Capital Outlay: | | | | | |
| Land | | 694,295 | - | 694,295 | |
| Construction | | 28,411,831 | 972,955 | 29,384,786 | |
| Construction Reserve | | 2,632 | - | 2,632 | |
| Design fee | | 1,922,369 | 90,495 | 2,012,864 | |
| Fixtures, Furniture, and Equipment | | 711,482 | 281,886 | 993,368 | |
| Financing and legal | | 444,698 | - | 444,698 | |
| Total | <u>35,285,093</u> | <u>32,187,307</u> | <u>1,345,336</u> | <u>33,532,643</u> | <u>1,752,450</u> |
| Revenues over (under) expenditures | <u>(34,763,287)</u> | <u>(31,300,716)</u> | <u>(1,345,026)</u> | <u>(32,645,742)</u> | <u>2,117,545</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | | |
| Transfer-in (out) | | | | | |
| General Fund | 5,763,287 | 5,763,287 | - | 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 Other Financing Sources (Uses) | <u>34,763,287</u> | <u>35,134,696</u> | <u>-</u> | <u>35,134,696</u> | <u>371,409</u> |
| Revenues and Other Financing Sources | | | | | |
| Over (Under) Expenditures and Other Uses | <u>\$ -</u> | <u>\$ 3,833,980</u> | <u>(1,345,026)</u> | <u>\$ 2,488,954</u> | <u>\$ 2,488,954</u> |
| Fund balance, beginning | | | <u>3,833,980</u> | | |
| Fund balance, ending | | | <u>\$ 2,488,954</u> | | |

ENTERPRISE FUNDS

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.

- **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 Year Ended June 30, 2021

| | 2021 | | Variance |
|----------------------------------|-----------|-----------|------------------------|
| | Budget | Actual | Positive (Negative) |
| <u>REVENUES</u> | | | |
| Restricted intergovernmental | | | |
| Grant funds | \$ - | \$ - | \$ - |
| Operating revenues | | | |
| Landfill user fees | 1,446,146 | 1,688,954 | 242,808 |
| Solid waste charges | 1,272,600 | 1,197,214 | (75,386) |
| Other operating revenues | | | |
| White goods | | 58,290 | |
| Scrap tire disposal tax | | 89,709 | |
| Solid waste disposal tax | | 36,676 | |
| Compost/Mulch sales | | 6,780 | |
| Miscellaneous | | 92,228 | |
| Total other operating revenues | 39,500 | 283,683 | 244,183 |
| Total Operating Revenues | 2,758,246 | 3,169,851 | 411,605 |
| Non-Operating Revenues: | | | |
| Interest earned on investments | 700,000 | 259 | (699,741) |
| Total non-operating revenues | 700,000 | 259 | (699,741) |
| Total Revenues | 3,458,246 | 3,170,110 | (288,136) |
| <u>EXPENDITURES</u> | | | |
| Solid Waste Operations | | | |
| Printing | | 1,132 | |
| Supplies and materials | | (133) | |
| Manned sites | | 397,007 | |
| Oil and Anti-Freeze Disposal | | 5,492 | |
| Freon Removal | | 4,548 | |
| Waste disposal | | 498,295 | |
| Road Side Cleanup | | 60,140 | |
| Container transportation | | 363,707 | |
| Maintenance and grounds | | 21,575 | |
| Miscellaneous | | 6,976 | |
| Total | 1,378,812 | 1,358,739 | 20,073 |
| Site remodeling and construction | 25,000 | 371 | 24,629 |
| Total Solid Waste Operations | 1,403,812 | 1,359,110 | 44,702 |
| Landfill Operations | | | |
| Salaries and employee benefits | | 321,888 | |
| Professional services | | 97,950 | |
| Gas, oil, tires | | 6,081 | |
| Supplies and materials | | 8,924 | |
| Brush grinding | | 17,514 | |
| Travel | | 753 | |
| Telephone and postage | | 5,384 | |
| Utilities | | 7,016 | |
| Maintenance and grounds | | 40,775 | |

Granville County, North Carolina
Solid Waste Management
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2021

| | | | |
|--|--------------------|---------------------|---------------------|
| Advertising | | 1,610 | |
| Tire disposal | | 89,325 | |
| Registration and training | | 388 | |
| Contract services | | 971,174 | |
| Noncapitalized equipment | | 72,336 | |
| Miscellaneous | | 65,698 | |
| Total Landfill Operations | <u>2,285,242</u> | <u>1,706,816</u> | <u>578,426</u> |
| Convenience sites | | | |
| Professional services | <u>24,950</u> | <u>1,923</u> | <u>23,027</u> |
| Budgetary Appropriations | | | |
| Capital outlay - landfill | 38,465 | 120,556 | (82,091) |
| Capital outlay - landfill closure costs | <u>3,093,819</u> | <u>82,222</u> | <u>3,011,597</u> |
| Total | <u>3,132,284</u> | <u>202,778</u> | <u>2,929,506</u> |
| Total Expenditures | <u>6,846,288</u> | <u>3,270,627</u> | <u>3,575,661</u> |
| Revenues over (under) expenditures | <u>(3,388,042)</u> | <u>(100,517)</u> | <u>3,287,525</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers-in/out | | | |
| General Fund | 2,568,592 | - | 2,568,592 |
| Fund Balance Appropriated | | | |
| Landfill | 646,000 | - | (646,000) |
| Solid Waste | <u>173,450</u> | <u>-</u> | <u>(173,450)</u> |
| Total other financing sources (uses) | <u>3,388,042</u> | <u>-</u> | <u>1,749,142</u> |
| Revenues over (under) sources and other uses | <u>\$ -</u> | <u>\$ (100,517)</u> | <u>\$ 5,036,667</u> |

RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL

| | |
|--|---------------------|
| Excess of revenues over (under) expenditures | \$ (100,517) |
| Reconciling items: | |
| Depreciation | (136,823) |
| Capital outlay | 120,556 |
| Increase (decrease) in deferred outflows of resources | 57,159 |
| (Increase) decrease in net pension liability | (27,227) |
| (Increase) decrease in deferred inflows of resources | 1,302 |
| (Increase) decrease in accrued landfill closure and postclosure care costs | 607 |
| (Increase) decrease in total OPEB liability | (53,205) |
| (Increase) decrease in accrued vacation payable | 81 |
| Net Income (loss) | <u>\$ (138,067)</u> |

Granville County, North Carolina
Stormwater Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2021

| | 2021 | | Variance |
|--|---------|------------|------------------------|
| | Budget | Actual | Positive (Negative) |
| <u>REVENUES</u> | | | |
| Restricted intergovernmental revenue | | | |
| Federal grant | \$ - | \$ - | \$ - |
| Operating revenues | | | |
| Stormwater fees | 287,130 | 264,147 | (22,983) |
| Other operating revenues | | | |
| Contributions | 95,070 | 50,861 | (44,209) |
| Total Revenues | 382,200 | 315,008 | (67,192) |
| <u>EXPENDITURES</u> | | | |
| Stormwater Operations | | | |
| Salaries and employee benefits | | (2,333) | |
| Professional services | | 65,895 | |
| Supplies and materials | | 789 | |
| Postage | | 57 | |
| Dues and subscriptions | | 76,630 | |
| Advertising | | - | |
| Waste disposal | | 2,409 | |
| Contracted services | | 56,335 | |
| Maintenance | | 39 | |
| Administration | | - | |
| Miscellaneous | | 1,731 | |
| Total Operating Expenditures | 382,200 | 201,552 | 81,172 |
| Revenues over (under) expenditures | - | 113,456 | 13,980 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Fund Balance Appropriated | - | - | - |
| Total other financing sources (uses) | - | - | - |
| Revenues over (under) sources and other uses | \$ - | \$ 113,456 | \$ 13,980 |
| <u>RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL AC</u> | | | |
| Excess of revenues over (under) expenditures | | \$ 113,456 | |
| Reconciling items: | | | |
| Increase (decrease) in deferred outflows of resources | | - | |
| (Increase) decrease in net pension liability | | - | |
| (Increase) decrease in deferred inflows of resources | | - | |
| (Increase) decrease in total OPEB liability | | - | |
| Net Income (loss) | | \$ 113,456 | |

INTERNAL SERVICE FUNDS

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

- **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 Year Ended June 30, 2021

| | 2021 | | Variance |
|---|------------------|-------------------|------------------------|
| | Budget | Actual | Positive (Negative) |
| Revenues | | | |
| Contributions from employees | \$ 2,948,964 | \$ 3,241,263 | \$ 292,299 |
| Insurance settlements | 427,463 | - | (427,463) |
| Total revenues | <u>3,376,427</u> | <u>3,241,263</u> | <u>(135,164)</u> |
| Expenditures | | | |
| Health insurance administration | 863,919 | 836,269 | 27,650 |
| Claims | <u>2,695,508</u> | <u>2,411,896</u> | <u>283,612</u> |
| Total expenditures | <u>3,559,427</u> | <u>3,248,165</u> | <u>311,262</u> |
| Revenues over (under) expenditures | <u>(183,000)</u> | <u>(6,902)</u> | <u>176,098</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfer from General Fund | 183,000 | 183,000 | - |
| Appropriated fund balance | - | - | - |
| Total | <u>183,000</u> | <u>183,000</u> | <u>-</u> |
| Revenues and other financing sources (uses) over (under) expenditures | <u>\$ -</u> | <u>176,098</u> | <u>\$ 176,098</u> |
| Fund balances | | | |
| Beginning of year, July 1 | | <u>253,765</u> | |
| End of year, June 30 | | <u>\$ 429,863</u> | |
| Reconciliation from financial plan basis (modified accrual) to full accrual: | | | |
| Total revenues | | \$ 3,241,263 | |
| Total expenditures | | <u>3,248,165</u> | |
| Change in net position | | <u>\$ (6,902)</u> | |

CUSTODIAL FUNDS

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

Granville County, North Carolina
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021

| | Municipal Tax Fund | Jail Inmate Pay Fund | Sheriff Execution & Evidence Funds | Total Custodial Funds |
|--|-------------------------------|---------------------------------|---|----------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ - | \$ 15,129 | \$ 134,691 | \$ 149,820 |
| Taxes receivable for other governments, net | 219,571 | - | - | 219,571 |
| Total assets | <u>219,571</u> | <u>15,129</u> | <u>134,691</u> | <u>369,391</u> |
| LIABILITIES | | | | |
| Accounts payable and accrued liabilities | - | - | - | - |
| Due to other governments | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET POSITION | | | | |
| Restricted for: | | | | |
| Individuals, organizations, and other governments | 219,571 | 15,129 | 134,691 | 369,391 |
| Total net position | <u>\$ 219,571</u> | <u>\$ 15,129</u> | <u>\$ 134,691</u> | <u>\$ 369,391</u> |

Granville County, North Carolina
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2021

| | <u>Municipal Tax Fund</u> | <u>Jail Inmate Pay Fund</u> | <u>Sheriff Execution & Evidence Funds</u> | <u>Total Custodial Funds</u> |
|---|-------------------------------|---------------------------------|---|----------------------------------|
| ADDITIONS | | | | |
| Ad valorem taxes for other governments | \$ 9,911,803 | \$ - | \$ - | \$ 9,911,803 |
| Collections on behalf of inmates | - | 240,870 | - | 240,870 |
| Evidence receipts | - | - | 2,166 | 2,166 |
| Execution receipts | - | - | 26,241 | 26,241 |
| Total additions | <u>9,911,803</u> | <u>240,870</u> | <u>28,407</u> | <u>10,181,080</u> |
| DEDUCTIONS | | | | |
| Tax distributions to other governments | 9,867,753 | - | - | 9,867,753 |
| Payments on behalf of inmates | - | 229,236 | - | 229,236 |
| Evidence Disbursements | - | - | 5,018 | 5,018 |
| Execution Disbursements | - | - | 26,517 | 26,517 |
| Total deductions | <u>9,867,753</u> | <u>229,236</u> | <u>31,535</u> | <u>10,128,524</u> |
| Net increase (decrease) in fiduciary net position | 44,050 | 11,634 | (3,128) | 52,556 |
| Net position, beginning, as previously reported | - | - | - | - |
| Prior period restatement - change in accounting principle | 175,521 | 3,495 | 137,819 | 316,835 |
| Net position, beginning, as restated | <u>175,521</u> | <u>3,495</u> | <u>137,819</u> | <u>316,835</u> |
| Net position, ending | <u>\$ 219,571</u> | <u>\$ 15,129</u> | <u>\$ 134,691</u> | <u>\$ 369,391</u> |

OTHER SCHEDULES

This schedule contains additional information required on property taxes.

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

Granville County, North Carolina
Schedule of Ad Valorem Taxes Receivable
General Fund
June 30, 2021

| <u>Fiscal Year</u> | <u>Uncollected Balance June 30, 2020</u> | <u>Additions</u> | <u>Collections And Credits</u> | <u>Uncollected Balance June 30, 2021</u> |
|--------------------------------------|--|----------------------|------------------------------------|--|
| 2020-2021 | \$ - | \$ 43,025,688 | \$ 42,480,656 | \$ 545,032 |
| 2019-2020 | 654,482 | - | 455,332 | 199,150 |
| 2018-2019 | 233,384 | - | 119,821 | 113,563 |
| 2017-2018 | 93,283 | - | 34,155 | 59,128 |
| 2016-2017 | 60,108 | - | 22,622 | 37,486 |
| 2015-2016 | 29,448 | - | 7,064 | 22,384 |
| 2014-2015 | 43,031 | - | 4,551 | 38,480 |
| 2013-2014 | 31,960 | - | 3,684 | 28,276 |
| 2012-2013 | 33,207 | - | 1,596 | 31,611 |
| 2011-2012 | 28,013 | - | 1,336 | 26,677 |
| 2010-2011 | 28,337 | - | 28,337 | - |
| Totals | \$ <u>1,235,253</u> | \$ <u>43,025,688</u> | \$ <u>43,159,154</u> | <u>1,101,787</u> |
| Less Allowance for Doubtful Accounts | | | | <u>(312,000)</u> |
| Taxes Receivable (Net) | | | | \$ <u>789,787</u> |
| <u>Reconcilement with revenues:</u> | | | | |
| Ad valorem taxes - General Fund | | | | \$ 43,258,583 |
| Interest and Discounts | | | | 135,077 |
| Fees and Adjustments | | | | (262,843) |
| Taxes written off | | | | <u>28,337</u> |
| Total reconciling items | | | | <u>(99,429)</u> |
| Total collections and credits | | | | \$ <u>43,159,154</u> |

Granville County
Analysis of Current Tax Levy
County-Wide Levy
June 30, 2021

| | County Wide | | | Property Excluding Registered Motor Vehicles | Registered Motor Vehicles |
|--------------------------------------|-------------------------|-------|----------------------|---|---------------------------------|
| | Property Valuation | Rate | Total Levy | | |
| Original Levy: | | | | | |
| Property taxed at current years rate | \$ 4,308,368,929 | 0.840 | \$ 36,190,299 | \$ 36,190,299 | \$ - |
| Motor Vehicles at current years rate | 628,300,952 | 0.840 | 5,277,728 | - | 5,277,728 |
| Total | <u>4,936,669,881</u> | | <u>41,468,027</u> | <u>36,190,299</u> | <u>5,277,728</u> |
| Discoveries: | | | | | |
| Current and prior year's taxes | <u>193,655,714</u> | 0.840 | <u>1,626,708</u> | <u>1,626,708</u> | <u>-</u> |
| Abatements | <u>(8,219,881)</u> | 0.840 | <u>(69,047)</u> | <u>(69,047)</u> | <u>-</u> |
| Total Property Valuation | <u>\$ 5,122,105,714</u> | | | | |
| Net Levy | | | 43,025,688 | 37,747,960 | 5,277,728 |
| Uncollected taxes June 30, 2021 | | | <u>545,032</u> | <u>545,032</u> | <u>-</u> |
| Current years taxes collected | | | <u>\$ 42,480,656</u> | <u>\$ 37,202,928</u> | <u>\$ 5,277,728</u> |
| Current levy collection percentage | | | <u>98.73%</u> | <u>98.56%</u> | <u>100.00%</u> |

STATISTICAL SECTION

TABLE 1

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

| | Fiscal Year | | | | | | | | | |
|---|------------------------|------------------------|------------------------|------------------------|-----------------------|--------------------|---------------------|---------------------|---------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 5,749,001 | \$ 13,801,596 | \$ 17,096,701 | \$ 19,458,241 | \$ 24,247,521 | \$ 25,179,166 | \$ 31,024,432 | \$ 11,926,586 | \$ 33,234,901 | \$ 39,728,260 |
| Restricted | 22,894,879 | 11,770,892 | 10,140,935 | 10,995,235 | 6,348,920 | 6,039,996 | 24,688,335 | 43,452,365 | 17,440,115 | 16,552,241 |
| Unrestricted | (46,031,350) | (52,503,720) | (46,402,671) | (41,556,680) | (37,992,005) | (29,126,797) | (53,650,835) | (51,610,378) | (46,264,798) | (43,224,747) |
| Total governmental activities net position | <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> | <u>4,410,218</u> | <u>13,055,754</u> |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | 1,930,932 | 5,506,197 | 5,402,964 | 5,372,550 | 5,381,036 | 5,279,615 | 5,144,388 | 5,090,595 | 5,051,519 | 5,035,252 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Unrestricted | (1,654,823) | (7,718,231) | (7,217,508) | (7,320,965) | (7,366,313) | (6,998,454) | (5,688,108) | (7,409,803) | (4,442,938) | (4,305,469) |
| Total business-type activities net position | <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> | <u>608,581</u> | <u>729,783</u> |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | 7,679,933 | 19,307,793 | 22,499,665 | 24,830,791 | 29,628,557 | 30,458,781 | 36,168,820 | 17,017,181 | 38,286,420 | 44,763,512 |
| Restricted | 22,894,879 | 11,770,892 | 10,140,935 | 10,995,235 | 6,348,920 | 6,039,996 | 24,688,335 | 43,452,365 | 17,440,115 | 16,552,241 |
| Unrestricted | (47,686,173) | (60,221,951) | (53,620,179) | (48,877,645) | (45,358,318) | (36,125,251) | (59,338,943) | (59,020,181) | (50,707,736) | (47,530,216) |
| Total primary government net position | <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> | <u>\$ 5,018,799</u> | <u>\$ 13,785,537</u> |

TABLE 2

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

| | Fiscal Year | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 4,259,610 | \$ 4,555,774 | \$ 4,405,781 | \$ 4,442,094 | \$ 4,938,658 | \$ 5,332,252 | \$ 5,632,304 | \$ 6,295,269 | \$ 9,081,170 | \$ 9,008,968 |
| Public safety | 9,823,361 | 10,620,057 | 10,655,790 | 10,425,328 | 11,120,875 | 11,501,856 | 11,393,977 | 13,046,766 | 12,642,892 | 14,268,404 |
| Transportation | 135,410 | 148,296 | 156,779 | 173,068 | 192,910 | 198,866 | 198,866 | 197,224 | - | - |
| Economic and physical development | 9,772,776 | 797,499 | 476,826 | 753,782 | 668,747 | 717,586 | 951,127 | 1,363,072 | 98,607 | 196,631 |
| Human Services | 11,590,347 | 23,560,271 | 12,744,738 | 10,524,184 | 11,357,664 | 11,170,966 | 10,588,830 | 14,130,315 | 11,967,293 | 13,359,859 |
| Community Services | 3,246,796 | 3,853,986 | 2,746,910 | 3,990,780 | 3,700,213 | 4,257,566 | 4,530,173 | 4,512,131 | 4,366,584 | 4,303,671 |
| Education | 17,583,181 | 14,864,489 | 14,859,485 | 21,994,864 | 18,380,346 | 16,306,405 | 17,570,103 | 21,980,521 | 24,668,257 | 19,599,555 |
| Interest on long-term debt | 2,425,015 | 2,507,886 | 2,303,425 | 2,658,358 | 2,574,030 | 2,360,100 | 2,213,085 | 3,474,537 | 3,947,337 | 3,613,243 |
| Total governmental activities expenses | 58,836,496 | 60,908,258 | 48,349,734 | 54,962,458 | 52,933,443 | 51,845,597 | 53,078,465 | 64,999,835 | 66,772,140 | 64,350,331 |
| Business-type activities | | | | | | | | | | |
| Solid Waste | 1,822,661 | 4,318,099 | 2,046,765 | 2,720,941 | 2,895,474 | 2,778,367 | 3,032,006 | 4,765,067 | 207,496 | 3,306,328 |
| Stormwater | - | 209,073 | 261,089 | 280,217 | 319,275 | 313,745 | 328,837 | 649,980 | 353,112 | 201,552 |
| Total business-type activities | 1,822,661 | 4,527,172 | 2,307,854 | 3,001,158 | 3,214,749 | 3,092,112 | 3,360,843 | 5,415,047 | 560,608 | 3,507,880 |
| Total primary government expenses | 60,659,157 | 65,435,430 | 50,657,588 | 57,963,616 | 56,148,192 | 54,937,709 | 56,439,308 | 70,414,882 | 67,332,748 | 67,858,211 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General Government | 625,684 | 507,272 | 527,492 | 487,489 | 554,483 | 523,328 | 579,242 | 480,581 | 549,422 | 582,862 |
| Public Safety | 643,455 | 703,591 | 676,055 | 817,649 | 938,960 | 838,781 | 767,356 | 1,301,830 | 1,235,574 | 1,246,015 |
| Economic and physical development | 3,560 | - | - | - | - | - | - | - | - | 32,476 |
| Human Services | 89,602 | 97,873 | 84,399 | 37,670 | 20,681 | 22,648 | 18,628 | 20,738 | 16,037 | 19,556 |
| Community Services | 185,681 | 200,492 | 243,873 | 258,978 | 306,025 | 326,800 | 366,764 | 357,883 | 448,387 | 591,894 |
| Education | - | - | - | - | - | - | - | - | - | - |
| Operating grants and contributions | | | | | | | | | | |
| General Government | 55,955 | 69,878 | 29,930 | 65,893 | 55,016 | 69,738 | 3,906 | - | - | 269,030 |
| Public Safety | 1,057,350 | 1,711,479 | 926,318 | 918,182 | 948,876 | 901,466 | 731,557 | 798,006 | 1,887,150 | 1,651,634 |
| Transportation | 259,741 | 291,028 | 191,221 | 807,152 | 397,308 | 209,041 | 317,421 | 327,578 | - | - |
| Economic and physical development | 27,500 | 326,361 | 58,986 | 438,483 | 220,568 | 459,405 | 63,291 | 884,283 | 535,007 | 577,493 |
| Human Services | 6,421,666 | 6,237,855 | 6,547,155 | 7,246,267 | 7,250,217 | 7,625,979 | 6,402,322 | 6,846,715 | 6,919,844 | 9,455,090 |
| Community Services | 151,288 | 156,245 | 138,529 | 136,599 | 136,826 | 166,602 | 180,057 | 137,790 | 108,997 | 108,694 |
| Education | 800,000 | 1,060,202 | 1,000,000 | 848,881 | 397,280 | 680,312 | 530,247 | 539,245 | - | 61,552 |
| Capital grants and contributions | | | | | | | | | | |
| General Government | - | - | - | - | - | - | - | 6,403 | - | - |
| Public Safety | - | - | - | - | - | - | 770 | - | - | - |
| Transportation | - | - | - | - | - | - | - | - | - | - |
| Economic and physical development | 147,875 | 41,415 | 508,364 | 66,979 | 113,028 | - | - | 157,330 | 127,853 | 340,000 |
| Community Services | - | - | 498,631 | 378,019 | 22,130 | 143,116 | - | - | - | - |
| Education | - | - | - | - | - | - | - | - | 554,233 | 623,240 |
| Total governmental activities program revenues | 10,469,357 | 11,403,691 | 11,430,953 | 12,508,241 | 11,361,398 | 11,967,216 | 9,961,561 | 11,858,382 | 12,382,504 | 15,559,536 |

TABLE 2

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

| | Fiscal Year | | | | | | | | | |
|---|----------------|-----------------|--------------|--------------|--------------|---------------|---------------|--------------|--------------|--------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Business-type activities | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Solid Waste | 1,540,903 | 1,686,107 | 2,325,500 | 2,528,876 | 2,756,149 | 2,984,245 | 3,330,891 | 3,243,632 | 3,104,716 | 3,169,851 |
| Stormwater | - | 248,572 | 249,597 | 257,086 | 303,627 | 256,150 | 256,860 | 261,479 | 261,463 | 264,147 |
| Operating grants and contributions | - | - | 24,222 | 25,500 | 25,500 | 25,500 | 25,500 | 33,263 | 25,500 | - |
| Capital grants and contributions | 4,692 | 3,493 | - | - | - | 1,156 | 500 | - | - | - |
| Total business-type activities program revenues | 1,545,595 | 1,938,172 | 2,599,319 | 2,811,462 | 3,085,276 | 3,267,051 | 3,613,751 | 3,538,374 | 3,391,679 | 3,433,998 |
| Total primary government program revenues | 12,014,952 | 13,341,863 | 14,030,272 | 15,319,703 | 14,446,674 | 15,234,267 | 13,575,312 | 15,396,756 | 15,774,183 | 18,993,534 |
| Net (expenses)/revenue | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| General Government | (3,577,971) | (3,978,624) | (3,848,359) | (3,888,712) | (4,329,159) | (4,739,186) | (5,049,156) | (5,808,285) | (8,531,748) | (8,157,076) |
| Public Safety | (8,122,556) | (8,204,987) | (9,053,417) | (8,689,497) | (9,233,039) | (9,761,609) | (9,894,294) | (10,946,930) | (9,520,168) | (11,370,755) |
| Transportation | 124,331 | 142,732 | 34,442 | 634,084 | 204,398 | 10,175 | 118,555 | 130,354 | - | - |
| Economic and physical development | (9,593,841) | (429,723) | 90,524 | (248,320) | (335,151) | (258,181) | (887,836) | (321,459) | 564,253 | 753,338 |
| Human Services | (5,079,079) | (17,224,543) | (6,113,184) | (3,240,247) | (4,086,766) | (3,522,339) | (4,167,880) | (7,262,862) | (5,031,412) | (3,885,213) |
| Community Services | (2,909,827) | (3,497,249) | (1,865,877) | (3,217,184) | (3,235,232) | (3,621,048) | (3,983,352) | (4,016,458) | (3,809,200) | (3,603,083) |
| Education | (16,783,181) | (13,804,287) | (13,859,485) | (21,145,983) | (17,983,066) | (15,626,093) | (17,039,856) | (21,441,276) | (24,114,024) | (18,914,763) |
| Interest on long term debt | (2,425,015) | (2,507,886) | (2,303,425) | (2,658,358) | (2,574,030) | (2,360,100) | (2,213,085) | (3,474,537) | (3,947,337) | (3,613,243) |
| Business-type activities | | | | | | | | | | |
| Solid waste | (277,066) | (2,628,499) | 278,735 | (192,065) | (113,825) | 231,378 | 324,385 | (1,488,172) | 2,922,720 | (136,477) |
| Stormwater | - | 39,499 | (11,492) | (23,131) | (15,648) | (56,439) | (71,477) | (388,501) | (91,649) | 62,595 |
| Total primary government net expenses | (48,644,205) | (52,093,567) | (36,651,538) | (42,669,413) | (41,701,518) | (39,703,442) | (42,863,996) | (55,018,126) | (51,558,565) | (48,864,677) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes | 31,803,407 | 31,967,760 | 35,899,937 | 35,119,245 | 36,226,663 | 39,171,884 | 40,319,275 | 41,016,801 | 41,224,580 | 43,106,425 |
| Local option sales tax | 5,512,386 | 5,977,343 | 5,826,915 | 6,038,601 | 6,322,373 | 7,758,228 | 8,143,429 | 8,625,333 | 9,362,661 | 10,644,304 |
| Other taxes and licenses | 1,777,995 | 1,993,976 | 2,056,480 | 2,222,684 | 2,295,726 | 2,544,229 | 2,631,894 | 3,017,074 | 2,859,815 | 3,168,710 |
| Investment earnings | 61,598 | 49,130 | 41,765 | 26,657 | 37,952 | 169,172 | 484,589 | 1,420,517 | 934,439 | 12,248 |
| Miscellaneous | 609,548 | 297,442 | 354,724 | 303,684 | 396,971 | 357,010 | 4,086,184 | 768,369 | 649,786 | 478,903 |
| Transfers | - | - | - | - | - | - | (1,000,000) | - | - | - |
| Total general revenues, special items and transfers | 39,764,934 | 40,285,651 | 44,179,821 | 43,710,871 | 45,279,685 | 50,000,523 | 54,665,371 | 54,848,094 | 55,031,281 | 57,410,590 |
| Total governmental activities | 39,764,934 | 40,285,651 | 44,179,821 | 43,710,871 | 45,279,685 | 50,000,523 | 54,665,371 | 54,848,094 | 55,031,281 | 57,410,590 |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 4,524 | 5,062 | 1,778 | 1,534 | 4,863 | 11,872 | 16,085 | 21,387 | 14,322 | 259 |
| Miscellaneous | - | 95,795 | 104,247 | 84,583 | 87,748 | 79,627 | 93,627 | 79,798 | 82,396 | 50,861 |
| Transfers | - | - | - | - | - | - | 1,000,000 | - | - | - |
| Total general revenues, special items and transfers | 4,524 | 100,857 | 106,025 | 86,117 | 92,611 | 91,499 | 1,109,712 | 101,185 | 96,718 | 51,120 |
| Total business-type activities | 4,524 | 100,857 | 106,025 | 86,117 | 92,611 | 91,499 | 1,109,712 | 101,185 | 96,718 | 51,120 |
| Total primary government | 39,769,458 | 40,386,508 | 44,285,846 | 43,796,988 | 45,372,296 | 50,092,022 | 55,775,083 | 54,949,279 | 55,127,999 | 57,461,710 |
| Changes in Net Position | | | | | | | | | | |
| Governmental activities | (8,602,205) | (9,218,916) | 7,261,040 | 1,256,654 | 3,707,640 | 10,122,142 | 11,548,467 | 1,706,641 | 641,645 | 8,619,795 |
| Business-type activities | (272,542) | (2,488,143) | 373,268 | (129,079) | (36,862) | 266,438 | 1,362,620 | (1,775,488) | 2,927,789 | (22,762) |
| Total primary government | \$ (8,874,747) | \$ (11,707,059) | \$ 7,634,308 | \$ 1,127,575 | \$ 3,670,778 | \$ 10,388,580 | \$ 12,911,087 | \$ (68,847) | \$ 3,569,434 | \$ 8,597,033 |

TABLE 3

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

| Fiscal Year | Property Tax | Local Sales Tax | Alcoholic Beverage Tax | Occupancy Tax* | Other Tax | Total |
|------------------------|-------------------------|----------------------------|---------------------------------------|---------------------------|----------------------|---------------|
| 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 |
| 2020 | 41,224,580 | 9,362,661 | 16,522 | 214,616 | 2,661,723 | 53,480,102 |
| 2021 | 43,106,425 | 10,644,304 | 34,563 | 220,555 | 2,913,592 | 56,919,439 |

TABLE 4

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

| | Fiscal Year | | | | | | | | | |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| General Fund | | | | | | | | | | |
| Nonspendable | | | | | | | | | | |
| Prepaid items | \$ 368 | \$ 900 | \$ 1,635 | \$ 1,916 | \$ 1,711 | \$ 1,542 | \$ 1,855 | \$ 4,000 | \$ 4,000 | \$ 6,200 |
| Restricted | | | | | | | | | | |
| Stabilization by State Statute | 2,694,795 | 2,092,758 | 3,247,393 | 3,997,815 | 3,942,662 | 3,280,930 | 4,006,440 | 4,712,758 | 4,889,926 | 5,287,119 |
| Register of Deeds | 33,561 | - | 12,618 | 35,050 | 42,603 | 60,950 | 30,743 | 53,193 | 79,849 | 113,275 |
| Human Services | 13,591,044 | 5,416,399 | 3,538,668 | - | - | - | 5,800,692 | 2,695,571 | 1,403,761 | 1,484,280 |
| Education | - | 695,447 | 1,043,189 | 1,390,935 | 1,738,702 | 2,088,926 | 2,455,239 | 2,852,550 | 3,237,367 | 3,585,238 |
| Community Services | - | - | - | - | - | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - | - | - | - | - |
| Committed | | | | | | | | | | |
| Tax Revaluation | 196,283 | 294,687 | 392,987 | 491,351 | 591,041 | 376,543 | - | 105,086 | 212,638 | 317,698 |
| Public Safety | 591,606 | 945,368 | 1,022,524 | 1,091,381 | 994,675 | 812,043 | 791,710 | 704,631 | 573,758 | 447,334 |
| Assigned | | | | | | | | | | |
| Subsequent year's expenditures | 1,418,657 | 1,735,002 | 1,874,511 | 1,884,639 | 594,708 | 386,385 | 418,603 | 2,313,755 | 2,955,337 | 5,645,236 |
| Community Services | - | - | - | - | 500,000 | 700,000 | 500,000 | - | - | - |
| Economic & Physical Development | 1,232,800 | 956,521 | 548,995 | 452,737 | 630,300 | 1,600,000 | 1,070,000 | 1,070,000 | 1,070,000 | 1,070,000 |
| Public Safety | - | - | - | - | - | 7,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Human Services | - | - | - | - | - | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Environmental Protection | - | - | - | - | - | 1,000,000 | - | - | - | - |
| Transportation | - | - | - | - | - | 1,400,000 | - | - | - | - |
| Education | - | - | - | - | - | - | 7,000,000 | - | - | - |
| Unassigned | 11,353,100 | 18,625,992 | 20,478,407 | 28,287,719 | 30,810,391 | 23,821,293 | 22,942,823 | 25,044,003 | 27,130,647 | 24,737,106 |
| Total General Fund | <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> | <u>\$ 44,557,283</u> | <u>\$ 45,693,486</u> |
| All other governmental funds | | | | | | | | | | |
| Nonspendable | | | | | | | | | | |
| Prepaid items | \$ - | \$ - | \$ 34,930 | \$ 34,930 | \$ 34,930 | \$ 34,930 | \$ 34,930 | \$ - | \$ - | \$ - |
| Restricted | | | | | | | | | | |
| Stabilization by State Statute | 135,549 | 83,357 | 30,034 | 32,179 | 34,910 | 37,887 | 32,374 | 70,780 | 103,208 | 34,922 |
| Education | 1,251,264 | 29,021 | 29,023 | 4,247,438 | - | - | 6,688,873 | 9,291,586 | 3,080,780 | 2,739,679 |
| Community Services | 2,002,241 | 986,837 | 837,938 | 265,776 | 240,274 | 302,527 | 317,293 | 733,235 | 300,823 | 282,673 |
| Human Services | - | - | - | - | - | - | - | - | - | 84,047 |
| Public Safety | 194,485 | 158,231 | 179,841 | 229,137 | 349,769 | 268,776 | 5,356,681 | 23,042,692 | 4,344,401 | 2,941,008 |
| Economic & Physical Development | 2,644,258 | 2,308,842 | 1,222,231 | 796,905 | - | - | - | - | - | - |
| Committed | | | | | | | | | | |
| Economic & Physical Development | 33,564 | 642 | - | - | - | - | - | - | - | - |
| Unassigned | - | - | (218,565) | - | (642,708) | - | (229,287) | (178,278) | (108,897) | (90,909) |
| Total other governmental funds | <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> | <u>\$ 7,720,315</u> | <u>\$ 5,991,420</u> |

TABLE 5

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

| | Fiscal Year | | | | | | | | | |
|--|---------------|----------------|---------------|---------------|----------------|---------------|---------------|---------------|-----------------|---------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Revenues | | | | | | | | | | |
| Ad Valorem taxes | \$ 31,873,214 | \$ 32,738,695 | \$ 36,071,119 | \$ 35,485,256 | \$ 36,419,897 | \$ 39,426,432 | \$ 40,390,916 | \$ 40,736,763 | \$ 41,440,264 | \$ 43,258,583 |
| Sales and other taxes | 7,271,408 | 7,844,912 | 7,706,195 | 8,109,374 | 8,460,686 | 10,094,167 | 10,615,127 | 11,527,328 | 12,222,478 | 13,708,814 |
| Licenses, fees and other revenue | 2,074,806 | 2,093,304 | 2,150,691 | 2,127,385 | 2,354,341 | 2,439,890 | 2,326,902 | 2,766,361 | 2,753,521 | 2,605,679 |
| Restricted Intergovernmental Revenues | 9,382,743 | 10,229,890 | 10,099,871 | 11,216,643 | 9,783,880 | 10,326,621 | 8,368,920 | 9,778,477 | 10,121,173 | 13,416,490 |
| Investment earnings | 61,598 | 49,130 | 41,765 | 26,657 | 37,952 | 169,172 | 484,589 | 1,420,517 | 934,439 | 12,248 |
| Miscellaneous | 293,653 | 177,404 | 350,646 | 236,566 | 235,137 | 184,525 | 112,088 | 121,899 | 157,594 | 139,110 |
| Total Revenues | 50,957,422 | 53,133,335 | 56,420,287 | 57,201,881 | 57,291,893 | 62,640,807 | 62,298,542 | 66,351,345 | 67,629,469 | 73,140,924 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 2,912,726 | 3,005,461 | 3,112,460 | 3,070,425 | 3,385,737 | 3,367,050 | 3,503,946 | 3,990,744 | 3,943,162 | 4,819,700 |
| Public safety | 10,087,628 | 9,770,114 | 10,267,270 | 10,010,614 | 10,551,246 | 10,831,586 | 10,830,932 | 11,802,610 | 11,405,074 | 12,847,090 |
| Community services | 3,116,885 | 3,443,616 | 3,189,156 | 3,031,754 | 4,563,679 | 3,565,425 | 4,025,750 | 4,253,181 | 3,812,057 | 3,844,850 |
| Economic and physical development | 406,286 | 467,279 | 27,644 | 56,777 | 103,287 | - | - | - | - | - |
| Human Services | 10,683,159 | 10,907,712 | 10,461,480 | 10,122,056 | 10,439,671 | 10,151,118 | 9,328,515 | 9,964,361 | 9,685,890 | 12,660,339 |
| Non-departmental & special areas | 7,761,846 | 15,801,366 | 4,059,505 | 2,701,203 | 2,405,556 | 3,170,991 | 3,533,266 | 3,288,306 | 4,547,433 | 3,507,473 |
| Capital Outlay | 2,091,297 | 1,021,405 | 2,452,522 | 7,980,901 | 4,563,607 | 48,598 | 3,406,566 | 18,902,857 | 27,409,587 | 4,164,775 |
| Intergovernmental: | | | | | | | | | | |
| Education | 17,583,181 | 14,864,489 | 14,859,485 | 14,604,207 | 15,250,609 | 16,306,405 | 16,125,309 | 17,623,166 | 18,839,236 | 19,599,555 |
| Debt service: | | | | | | | | | | |
| Bond issuance cost | - | 345,343 | - | - | - | - | - | - | - | 87,250 |
| Principal | 5,317,182 | 4,649,290 | 5,186,772 | 19,162,582 | 6,369,959 | 7,014,344 | 6,654,760 | 7,037,373 | 7,097,859 | 8,556,352 |
| Interest | 2,812,748 | 2,711,060 | 2,857,638 | 3,247,813 | 3,109,783 | 2,876,526 | 2,724,068 | 3,477,571 | 4,127,135 | 3,697,265 |
| Total expenditures | 62,772,938 | 66,987,135 | 56,473,932 | 73,988,332 | 60,743,134 | 57,332,043 | 60,133,112 | 80,340,169 | 90,867,433 | 73,784,649 |
| Excess of revenues over (under) expenditures | (11,815,516) | (13,853,800) | (53,645) | (16,786,451) | (3,451,241) | 5,308,764 | 2,165,430 | (13,988,824) | (23,237,964) | (643,725) |
| Other financing sources (uses) | | | | | | | | | | |
| Debt proceeds | 14,000,000 | 26,855,000 | - | 25,750,000 | 5,485,000 | - | 18,949,000 | 34,665,000 | - | 6,060,000 |
| Premium on debt | - | 2,525,946 | - | - | - | - | - | 3,864,139 | - | - |
| Payments to refunded bond escrow agent | - | (18,350,717) | - | - | (5,409,698) | - | (4,968,193) | (9,243,722) | - | (5,995,672) |
| Transfers in from other funds | 4,207,569 | 1,186,952 | 487,105 | 617,535 | 490,426 | 663,301 | 6,829,996 | 11,722,559 | 1,722,114 | 1,327,420 |
| Transfers out to other funds | (4,207,569) | (1,406,952) | (487,105) | (617,535) | (490,426) | (663,301) | (7,929,996) | (11,722,559) | (1,722,114) | (1,510,420) |
| Total other financing sources (uses) | 14,000,000 | 10,810,229 | - | 25,750,000 | 75,302 | - | 12,880,807 | 29,285,417 | - | (118,672) |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | 2,184,484 | (3,043,571) | (53,645) | 8,963,549 | (3,375,939) | 5,308,764 | 15,046,237 | 15,296,593 | (23,237,964) | (762,397) |
| Net change in fund balances | \$ 2,184,484 | \$ (3,043,571) | \$ (53,645) | \$ 8,963,549 | \$ (3,375,939) | \$ 5,308,764 | \$ 15,046,237 | \$ 15,296,593 | \$ (23,237,964) | \$ (762,397) |
| Debt service as a percentage of noncapital expenditures | 15.05% | 11.45% | 14.88% | 30.54% | 16.51% | 17.46% | 16.29% | 15.23% | 15.92% | 17.60% |

TABLE 6

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

| Fiscal Year | Property Tax | Sales Tax | Alcoholic Beverage Tax | Other Taxes | Total |
|------------------------|-------------------------|----------------------|---------------------------------------|--------------------|---------------|
| 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 | 5,977,343 | 12,579 | 532,830 | 42,593,871 |
| 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 |
| 2020 | 41,440,264 | 9,362,661 | 16,522 | 714,318 | 51,533,765 |
| 2021 | 43,258,583 | 10,644,304 | 34,563 | 856,713 | 54,794,163 |

TABLE 7

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

| Fiscal Year Ended June 30 | Property Excluding Registered Motor Vehicles | Motor Vehicles | Plus Discoveries | Less Abatements | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value | Estimated Actual Taxable/Market Value | Assessed Value as a Percentage of Market Value |
|--|---|---------------------------|-------------------------|----------------------------|---|--|---|--|---|
| 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% |
| 2020 | 4,289,894,762 | 542,066,786 | 182,374,738 | (48,986,592) | 4,965,349,694 | 0.840 | 41,708,937 | 40,353,074 | 103.36% |
| 2021 | 4,308,368,929 | 628,300,952 | 193,655,714 | (8,219,881) | 5,122,105,714 | 0.840 | 43,025,688 | 41,627,020 | 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 | | | | | | | | | |
|--------------------------------------|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| County Direct Rates* | | | | | | | | | | |
| County-wide Rate | 0.840 | 0.840 | 0.840 | 0.880 | 0.880 | 0.830 | 0.830 | 0.830 | 0.795 | 0.795 |
| Municipality Rates | | | | | | | | | | |
| City of Oxford | 0.640 | 0.640 | 0.640 | 0.640 | 0.640 | 0.640 | 0.620 | 0.620 | 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 | 0.615 | 0.615 | 0.615 | 0.635 | 0.665 | 0.665 | 0.700 | 0.700 | 0.700 | 0.700 |
| Town of Butner | 0.365 | 0.365 | 0.365 | 0.365 | 0.365 | 0.350 | 0.350 | 0.350 | 0.350 | 0.350 |
| 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, 2021
CURRENT YEAR AND FIVE YEARS AGO***

| Taxpayer | 2021 | | | 2016 | | |
|----------------------------------|------------------------|------|--|------------------------|------|--|
| | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Revlon | \$ 94,267,923 | 1 | 1.84% | \$ 87,424,183 | 1 | 2.00% |
| Duke Energy Progress | 59,639,694 | 2 | 1.16% | 41,711,670 | 3 | 0.96% |
| Certainteed Corporation | 44,670,099 | 3 | 0.87% | 58,688,022 | 2 | 1.34% |
| Bridgestone Commercial Solutions | 39,699,851 | 4 | 0.78% | 34,167,257 | 5 | 0.78% |
| Public Service Co. of NC | 39,105,339 | 5 | 0.76% | 33,681,620 | 6 | 0.77% |
| SantaFe Natural Tobacco Company | 38,504,324 | 6 | 0.75% | 32,146,138 | 7 | 0.74% |
| ADUSA Distribution LLC CD 09 | 31,888,881 | 7 | 0.62% | - | | |
| Safway LLC | 30,763,572 | 8 | 0.60% | - | | |
| Duke Energy Carolina | 29,719,143 | 9 | 0.58% | - | | |
| Altec Industries | 27,205,189 | 10 | 0.53% | - | | |
| WAKE EMC | | | | 26,761,157 | 8 | 0.61% |
| Shalag | | | | 34,800,021 | 4 | 0.80% |
| Carefusion EIT LLC | | | | 20,932,027 | 9 | 0.48% |
| Newton Instrument Company | | | | 19,598,899 | 10 | 0.45% |
| Totals | <u>\$ 435,464,015</u> | | <u>8.50%</u> | <u>\$ 389,910,994</u> | | <u>8.93%</u> |

Source: Granville County Tax Department

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

TABLE 10

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

| Fiscal Year Ended June 30 | Total Tax Levy for Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|--|---|---|-------------------------------|--|----------------------------------|-------------------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2012 | \$ 31,762,444 | \$ 30,856,878 | 97.15% | \$ 878,889 | \$ 31,735,767 | 99.92% |
| 2013 | 32,427,425 | 31,513,749 | 97.18% | 882,065 | 32,395,814 | 99.90% |
| 2014 | 35,605,455 | 34,934,862 | 98.12% | 713,584 | 35,648,446 | 100.00% |
| 2015 | 35,141,489 | 34,735,388 | 98.84% | 367,621 | 35,103,009 | 99.89% |
| 2016 | 36,220,241 | 35,922,785 | 99.18% | 275,072 | 36,197,857 | 99.94% |
| 2017 | 39,561,843 | 39,186,091 | 99.05% | 338,266 | 39,524,357 | 99.91% |
| 2018 | 40,495,171 | 40,063,479 | 98.93% | 372,564 | 40,436,043 | 99.85% |
| 2019 | 40,787,499 | 40,112,789 | 98.35% | 561,147 | 40,673,936 | 99.72% |
| 2020 | 41,647,572 | 40,993,090 | 98.43% | 455,332 | 41,448,422 | 99.52% |
| 2021 | 43,025,688 | 42,480,656 | 98.73% | - | 42,480,656 | 98.73% |

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 | | | |
| 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% |
| 2020 | 55,719,311 | 31,288,431 | 1,620,528 | 11,575,000 | - | 100,203,270 | 1,651 | 4.27% |
| 2021 | 56,119,632 | 29,393,310 | 815,297 | 5,215,000 | - | 91,543,239 | 1,499 | 3.78% |

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**

| Fiscal Year | General Obligation Bonds | Less: Amounts Available in Debt Service Fund | Total | Percentage of Personal Income* | Percentage of Estimated Actual Taxable Value of Property | Per Capita |
|------------------------|---|---|---------------|---|---|-----------------------|
| 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 |
| 2020 | 55,719,311 | - | 55,719,311 | 2.37% | 1.12% | 918 |
| 2021 | 56,119,632 | - | 56,119,632 | 2.32% | 1.10% | 919 |
| | | | | | | - |

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

TABLE 13

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

| | Fiscal Year | | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Debt limit | \$ 319,622,078 | \$ 326,313,710 | \$ 343,663,297 | \$ 338,713,146 | \$ 349,110,761 | \$ 359,653,121 | \$ 368,137,920 | \$ 388,452,369 | \$ 397,227,975 | \$ 409,768,457 |
| Total net debt applicable to limit | 84,529,293 | 91,803,576 | 86,521,474 | 93,546,283 | 85,517,519 | 78,385,494 | 85,727,366 | 107,631,759 | 100,203,270 | 91,543,239 |
| Legal debt margin | <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> | <u>\$ 297,024,705</u> | <u>\$ 318,225,218</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 26.45% | 28.13% | 25.18% | 27.62% | 24.50% | 21.79% | 23.29% | 27.71% | 25.23% | 22.34% |

Legal Debt Margin Calculation for Fiscal Year 2021

| | |
|--|-----------------------|
| Assessed value | \$ 5,122,105,714 |
| Debt limit (8% of total assessed value) | 409,768,457 |
| Debt applicable to limit: | |
| General obligation bonds | 56,119,632 |
| Installment Obligations | 29,393,310 |
| Certificates of Participation | 5,215,000 |
| Lease Financing Agreements - Governmental Activities | 815,297 |
| Total net debt applicable to limit | <u>91,543,239</u> |
| Legal debt margin | <u>\$ 318,225,218</u> |

TABLE 14

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

| Fiscal Year | (1) Population | (2) Per Capita Income | (3) Percent High School Graduate | Percent Bachelor's Degree or Higher | (4) School Enrollment | (5) Unemployment Rate |
|--------------------|---------------------------|--|---|--|--------------------------------------|--------------------------------------|
| 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% |
| 2020 | 60,700 | 38,652 | 84.2 | 22.3 | 7,166 | 6.2% |
| 2021 | 61,081 | 39,610 | 84.3 | 22.5 | 6,711 | 5.9% |

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.

Fiscal year 2019 base on July 2017 NC Certified Population Estimate

Fiscal year 2020 base on July 2018 NC Certified Population Estimate (Aug '20 ACCESSNC report)

Fiscal year 2021 base on July 2019 NC Certified Population Estimate (Aug '21 ACCESSNC report)

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 base 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%.

Fiscal year 2019 based on FY 2017 Per Capita figure (Oct '19 ACCESSNC report)

Fiscal year 2020 based on FY 2018 Per Capita figure (Aug '20 ACCESSNC report)

Fiscal year 2021 based on FY 2019 Per Capita figure (Aug '21 ACCESSNC report)

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.

Fiscal year 2019 figure based on 2017 Est from NC Dept. of Commerce ACCESSNC table.

Fiscal year 2020 figure based on 2018 Est from NC Dept. of Commerce ACCESSNC table.

Fiscal year 2021 figure based on 2019 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

Fiscal year 2019 figure based on Dept of Public Instruction - Average Daily Membership - Final - Does not include charter schools

Fiscal year 2020 figure based on Dept of Public Instruction - Average Daily Membership (Beth Day supplied).

Fiscal year 2021 figure based on Dept of Public Instruction - Average Daily Membership (Beth Day supplied).

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)

Fiscal year 2019 figures taken from NCACCESS (Oct 2019, 2018 Unemployment Rate(Annual))

Fiscal year 2020 figures taken from June 2020 Prelim. Figure from the Aug 2020 NCACCESS report.

Fiscal year 2021 figures taken from June 2021 Prelim. Figure from the Aug 2021 NCACCESS report.

TABLE 15

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

| 2021 | | | | 2013 | | | |
|--------------------------|--------------|------|---|-----------------------------------|--------------|------|---|
| Employer | Employees | Rank | Percentage of Total County Employment | Employer | Employees | Rank | Percentage of Total County Employment |
| Food Lion Distribution | 1,500 | 1 | 4.91% | Revlon | 1,700 | 1 | 6.26% |
| Revlon | 1,000 | 2 | 3.27% | Altec Industries | 450 | 2 | 1.66% |
| Altec Industries | 950 | 3 | 3.11% | Certainteed Corporation | 310 | 3 | 1.14% |
| Certainteed Corporation | 300 | 4 | 0.98% | Food Lion Distribution | 270 | 4 | 0.99% |
| Clayton Homes | 210 | 5 | 0.69% | Bridgestone Bandag | 172 | 5 | 0.63% |
| Bridgestone Bandag | 200 | 6 | 0.65% | Clayton Homes | 152 | 6 | 0.56% |
| Ideal Fastner | 175 | 7 | 0.57% | Gate Precast | 150 | 7 | 0.55% |
| Gate Precast | 165 | 8 | 0.54% | Ideal Fastener | 150 | 8 | 0.55% |
| Dill Air Controls | 165 | 9 | 0.54% | Newton Instrument Co. | 145 | 9 | 0.53% |
| Carolina Sunrock | 160 | 10 | 0.52% | Santa Fe Natural | 140 | 10 | 0.52% |
| Santa Fe Natural Tobacco | 140 | 11 | 0.46% | PalletOne of North Carolina, Inc. | 133 | 11 | 0.49% |
| Newton Instruments | 130 | 12 | 0.43% | Dill Air Control | 108 | 12 | 0.40% |
| | <u>5,095</u> | | <u>16.68%</u> | Total | <u>3,880</u> | | <u>14.28%</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 the information. Given the changes in business environments, an eight year period was determined to provide a clearer picture of economic change. (Note additional years information can be viewed on the County's web site under the Finance Department section: www.granvillecounty.org)

TABLE 16

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

| | Fiscal Year | | | | | | | | | |
|----------------------------------|-------------|------|-------|------|-------|------|------|------|-------|-------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Function | | | | | | | | | | |
| General Government | 35.5 | 35 | 36.5 | 39 | 39 | 39 | 39 | 42 | 43 | 45.5 |
| Human Services | 100 | 98 | 98 | 99.5 | 103.5 | 103 | 102 | 106 | 108.5 | 113.5 |
| Community Services | 44.5 | 49.5 | 56 | 56 | 58.5 | 54 | 61 | 66 | 62.5 | 65 |
| Public Safety | | | | | | | | | | |
| Sheriff's Dept./Detention Center | 99.5 | 99 | 99.5 | 100 | 99.5 | 102 | 103 | 102 | 109 | 116 |
| Emergency Services* | 26 | 25 | 29 | 31 | 29 | 31 | 43 | 31 | 28 | 28 |
| Emergency Management | 4 | 3 | 3 | 4 | 3 | 3 | 4 | 4 | 4 | 4 |
| Solid Waste | 4.5 | 4.5 | 4.5 | 5.5 | 5.5 | 6 | 6 | 6 | 6 | 6 |
| Water & Sewer | - | - | - | - | - | - | 0 | | | |
| Total | 314 | 314 | 326.5 | 335 | 338 | 338 | 358 | 357 | 361 | 378 |

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 | | | | | | | | | |
|---|-------------|---------|---------|---------|---------|---------|---------|---------|---------|--------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Public Safety/Sheriff | | | | | | | | | | |
| Incident Reports** | 8,920 | 8,918 | 8,763 | 8,446 | 8,505 | 7,425 | 8,499 | 7,663 | 6,089 | 5,450 |
| Miscellaneous Incident Reports | - | - | - | - | - | - | - | - | - | - |
| Arrests | 1,409 | 1,189 | 1,014 | 887 | 994 | 978 | 849 | 744 | 702 | 737 |
| Court Papers | 7,427 | 6,965 | 5,945 | 7,532 | 6,604 | 6,955 | 6,328 | 6,346 | 5,770 | 3,860 |
| Public Safety/Emerg Mgmt/Fire | | | | | | | | | | |
| Number of calls answered (includes fire & medical first response calls) | 2,594 | 2,585 | 1,953 | 2,335 | 2,333 | 2,272 | 2,344 | 2,464 | 3,458 | 2,789 |
| Inspections | 233 | 263 | 216 | 235 | 247 | 225 | 382 | 359 | 483 | 405 |
| Solid Waste | | | | | | | | | | |
| MSW Landfill Tonnage (May 1, 2013 - present) | | 3,091 | 17,403 | 20,634 | 20,120 | 46,685 | 40,489 | 51,818 | 47,597 | 48,359 |
| C & D Landfill Tonnage | 14,237 | 13,024 | 15,447 | 13,480 | 15,172 | 2,757 | 0 | 0 | 0 | 0 |
| Convenience Sites Tonnage | 8,069 | 7,643 | 7,543 | 8,625 | 10,422 | 10,122 | 10,775 | 11,095 | 12,308 | 12,991 |
| Civil Citations | 5 | 7 | 5 | 4 | 6 | 5 | 5 | 2 | 20 | 15 |
| Criminal Citations | 2 | - | 1 | 1 | - | - | 0 | 0 | 0 | 0 |
| Community Services/Library | | | | | | | | | | |
| Items Added to Physical Collection | 7,297 | 6,904 | 5,468 | 6,079 | 6,085 | 6,877 | 7,579 | 7,530 | 8,064 | 6,325 |
| Items Added to Virtual Collection^ | 4,067 | 160 | N/A | N/A | N/A | N/A | 6,392 | n/a | n/a | 260 |
| Circulation | 209,706 | 136,094 | 118,346 | 126,891 | 135,810 | 136,844 | 130,075 | 142,725 | 125,609 | 93,573 |
| Internet Use | 45,828 | 61,369 | 45,713 | 54,830 | 54,850 | 56,883 | 48,195 | 48,049 | 59,333 | 47,149 |
| Program Attendance | 6,594 | 6,584 | 14,160 | 17,367 | 16,155 | 11,337 | 5,075 | 8,094 | 18,891* | 4,401 |
| Community Services/Planning & Inspections | | | | | | | | | | |
| Number of Building Permits Issued | 393 | 474 | 459 | 513 | 667 | 629 | 638 | 726 | 840 | 808 |
| Number of Mobile Home Permits Issued | 57 | 59 | 52 | 57 | 68 | 72 | 48 | 71 | 67 | 66 |
| Number of Other Permits Issued (Includes Electrical, Plumbing & Mechanical) | 588 | 695 | 768 | 825 | 857 | 913 | 834 | 1,030 | 1,186 | 1,011 |
| Human Services/Social Services | | | | | | | | | | |
| Average # Adult Medicaid Eligible Cases | 2,464 | 2,525 | 2,515 | 3,000 | 5,534 | 3,997 | 4,353 | 4,450 | 2,851 | 2,919 |
| Average # Family & Child Medicaid Cases | 4,335 | 4,366 | 4,315 | 5,887 | 5,726 | 5,212 | 5,656 | 5,949 | 8,971 | 11,100 |
| Average # Households Receiving Food Stamps | 4,156 | 4,187 | 4,412 | 4,192 | 3,940 | 3,615 | 3,452 | 3,273 | 3,449 | 4,214 |
| Average \$ Fraud Collections per Month | 3,158 | 2,814 | 1,714 | 2,564 | 5,120 | 6,108 | 6,910 | 6,715 | 2,888 | ? |
| Education | | | | | | | | | | |
| School enrollment | 8,505 | 8,479 | 8,037 | 7,964 | 7,825 | 7,667 | 7,438 | 7,314 | 7,166 | 7,166 |

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.

TABLE 18

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

| Function | Fiscal Year | | | | | | | | | |
|------------------------|-------------|------|------|------|------|------|------|------|------|------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| 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) | 1534 | 1595 | 1513 | 1521 | 1542 | 1546 | 1551 | 1554 | 1555 | 1559 |
| 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 | 20 | 20 | 21 | 21 | 21 | 19 | 19 | 20 | 18 | 17 |

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

COMPLIANCE SECTION



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Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

**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 Auditors' 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 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, each major fund, and the aggregate remaining fund information of the Granville County, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Granville County basic financial statements, and have issued our report thereon dated November 24, 2021. Our report includes a reference to other auditors who audited the financial statements of the Granville Health System and the Granville County ABC Board, as described in our report on Granville County's financial statements. The financial statements of the Granville Health System and the Granville County ABC Board 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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Our consideration of the 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 weakness 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 Government 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.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 24, 2021



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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 Auditors' Report

To the Board of County Commissioners
Granville County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Granville County, North Carolina's, 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 the Granville County's major federal programs for the year ended June 30, 2021. Granville County's major federal programs are identified in the summary of auditors' 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.

Auditors' 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 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, the 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.

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.

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Opinion on Each Major Federal Program

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 major federal programs for the year ended June 30, 2021.

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 the Granville County internal control over compliance with the types of requirements that could have direct and material effect on major federal program to determine the auditing procedures that are appropriate in the circumstance 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 the 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.

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. 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 material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items [2021-001, 2021-002, 2021-003] that we consider to be significant deficiencies.

Granville County's response to the internal control over compliance findings identified in our audit are described in the accompanying 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.

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 OMB Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 24, 2021



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

Independent Auditors' Report

To the Board of County Commissioners
Granville County, North Carolina

Report on Compliance for Each Major State Program

We have audited Granville County, North Carolina's, compliance with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Granville County's major state programs for the year ended June 30, 2021. Granville County's major state programs are identified in the summary of auditors' 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.

Auditors' 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 US 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.

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 of Granville County's compliance.

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Opinion on Each Major State Program

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 major state programs for the year ended June 30, 2021.

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 each 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.

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. 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items [2020-001, 2021-002, 2021-003] that we consider to be significant deficiencies.

Granville County's response to the internal control over compliance findings identified in our audit are described in the accompanying 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.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 24, 2021

Granville County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses ___ yes X none reported
- Noncompliance material to financial statements noted ___ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses X yes ___ none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) X yes ___ no

Identification of major federal programs:

| <u>CFDA #</u> | <u>Program Name</u> |
|---------------|----------------------------|
| 21.019 | Coronavirus Relief Fund |
| 93.778 | Medical Assistance Program |

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

Auditee qualified as low-risk auditee? ___ yes X no

State Awards

Internal control over major State programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses X yes ___ none reported

Granville County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section I - Summary of Auditors' Results (continued)

Type of auditor's report issued on compliance for major State programs: Unmodified

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 Program

Building Reuse Grant

Public School Building Capital Fund

Section II - Financial Statement Findings

None Reported

Section III - Federal Award Findings and Questioned Costs

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services

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

CFDA# 93.778

Finding: 2021-001

SIGNIFICANT DEFICIENCY

Eligibility

| | |
|-----------|---|
| Criteria: | The Child Support Enforcement Agency (IV-D) can assist the family in obtaining financial and/or medical support or medical support payments from the child's non-custodial parent. Cooperation requirement with Social Services and Child Support Agencies must be met or good cause for not cooperating must be established when determine Medicaid eligibility. |
|-----------|---|

| | |
|------------|--|
| Condition: | There were 1 errors discovered during our procedures that referrals between DSS and Child Support Agencies were not properly made. |
|------------|--|

| | |
|------------------|--|
| Questioned Cost: | There was no known affect to eligibility and there were no known questioned costs. |
|------------------|--|

Granville County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section III - Federal Award Findings and Questioned Costs (Continued)

Context: We examined 60 Medicaid applicants from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and applicants could have been approved for benefits for which they were not eligible.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2020-002.

Cause: Error in reading the ACTS report and/or ineffective case review process.

Recommendation: Files should be reviewed internally to ensure proper information is in place and necessary procedures are taken when determine eligibility. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding.

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services

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

CFDA# 93.778

Finding: 2021-002

SIGNIFICANT DEFICENCY

Eligibility

Criteria: Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or non-countable resources and explained within the documentation.

Granville County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section III - Federal Award Findings and Questioned Costs (Continued)

| | |
|--|--|
| Condition: | There were 1 errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable. |
| Questioned Cost: | There was no known affect to eligibility and there were no known questioned costs. |
| Context: | We examined 60 Medicaid recipients from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit. |
| Effect: | For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible. |
| Identification of a repeat finding: | This is a repeat finding from the immediate previous audit, 2020-004. |
| Cause: | Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility. |
| Recommendation: | Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions. |
| Views of responsible officials and planned corrective actions: | The County agrees with the finding. |

Granville County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section III - Federal Award Findings and Questioned Costs (Continued)

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services

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

CFDA# 93.778

Finding: 2021-003

SIGNIFICANT DEFICIENCY

Eligibility

| | |
|------------------|---|
| Criteria: | In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. Electronic matches are required at applications and redeterminations. |
| Condition: | There were 1 errors discovered during our procedures that inadequate information was requested at applications and/or redeterminations. |
| Questioned Cost: | There was no known affect to eligibility and there were no known questioned costs. |
| Context: | We examined 60 Medicaid applicants from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit. |
| Effect: | For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and applicants could have been approved for benefits for which they were not eligible. |
| Cause: | Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility. |
| Recommendation: | Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources and income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions. |

Granville County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section III - Federal Award Findings and Questioned Costs (Continued)

| | |
|--|-------------------------------------|
| Views of responsible officials and planned corrective actions: | The County agrees with the finding. |
|--|-------------------------------------|

Section IV - State Award Findings and Questioned Costs

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

SIGNIFICANT DEFICIENCY: Finding 2021-001, 2021-002 and 2021-003 also apply to State requirements and State Awards.



COUNTY OF GRANVILLE, NORTH CAROLINA

141 WILLIAMSBORO STREET, POST OFFICE BOX 906, OXFORD, NORTH CAROLINA 27565

Corrective Action Plan
For the Year Ended June 30, 2021

Section II - Financial Statement Findings

None Reported.

Section III - Federal Award Findings and Questioned Costs

Finding 2021-001

Name of contact person: Kim Grissom, Income Maintenance Supervisor I and Shelia Morton, Income Maintenance Supervisor I

Corrective Action: Error cited was caseworkers not properly sending IV-D referrals to Child Support office. To ensure that this error is not repeated, the following will happen: Review of second parties by Lead Workers, Sherry Stainback and Lisa Kornegay, and Supervisors, Kim Grissom and Shelia Morton, hold training by December 31, 2021 on policy section Family and Children MA-3365, go over Second party findings during monthly team meetings, and hold individual performance meetings with caseworkers who keep having the same error cited on their second party reviews. Supervisors, will also ensure that caseworkers are up to date on changes that may come up and ensure that they give proper instruction when needed. Lead Workers and Supervisors will conduct 100% second party reviews on caseworkers in their probationary period 6-months unless extended by Supervisors due to performance and 5 applications and redeterminations on all other caseworkers per month. Supervisors will report all second party findings to Program Administrator, Heather Hayes each month for Program Administrator to provide feedback or guidance to ensure errors are not being repeated.

Proposed completion date: March 31, 2022.



COUNTY OF GRANVILLE, NORTH CAROLINA

141 WILLIAMSBORO STREET, POST OFFICE BOX 906, OXFORD, NORTH CAROLINA 27565

Corrective Action Plan For the Year Ended June 30, 2021

Finding 2021-002

Name of contact person: Lakrista Williams, Adult Income Maintenance Supervisor II

Corrective Action: Error cited was caseworkers entered documentation in NCFast that did not match documentation. The resources did not match and did not indicate whether or not they were countable or non-countable resources. To ensure that the caseworker does not repeat this error, the following will happen: policy training will be held on Adult Medicaid section MA- 2230 and SA-3200 along with steps on proper documentation of case files by December 31, 2021. Caseworkers are to use their checklist and documentation to properly input data into NCFast. Lead workers, Michelle Ogle and Delta Elliott, and Supervisor, Lakrista Williams, will conduct second party reviews on caseworkers. They will go over errors found on second parties during their team monthly meetings. Supervisor will hold individual performance meetings if cited for same error. Lead Worker and Supervisors will conduct 100% second parties on caseworkers in their probationary period 6-months unless extended by Supervisors due to performance and 5 applications and redeterminations on all other caseworkers per month. Supervisor will also ensure that caseworkers are up to date on changes that may come up and ensure that they give proper instruction when needed. Supervisor will report all second party findings to Program Administrator, Heather Hayes each month for Program Administrator to provide feedback or guidance to ensure errors are not being repeated.

Proposed completion date: March 31, 2022.



COUNTY OF GRANVILLE, NORTH CAROLINA

141 WILLIAMSBORO STREET, POST OFFICE BOX 906, OXFORD, NORTH CAROLINA 27565

Corrective Action Plan For the Year Ended June 30, 2021

Finding 2021-003

Name of contact person: Kim Grissom, Income Maintenance Supervisor I and Shelia Morton, Income Maintenance Supervisor

Corrective Action: The error that was cited was that inadequate information was requested at applications and/or redeterminations. Caseworker did not verify with Electronic Source prior to reaching out and requesting information from customer. To ensure that this error does not repeat, the following will happen: Review of second parties by Lead Workers, Sherry Stainback and Lisa Kornegay, and Supervisors, Kim Grissom and Shelia Morton, hold training by December 31, 2021 on policy section Family and Children MA-3306, go over Second party findings during monthly team meetings, and hold individual performance meetings with those who keep having the same error cited on their second party reviews. Caseworkers are to use their documentation sheet to properly guide them as a checklist on what to request for electronic data in NCFAST. Lead Worker and Supervisors will conduct 100% second parties on caseworkers in their probationary period 6-months unless extended by Supervisors due to performance and 5 applications and redeterminations on all other caseworkers per month. Supervisors, will also ensure that caseworkers are up to date on changes that may come up and ensure that they give proper instruction when needed. Supervisors will report all second party findings to Program Administrator, Heather Hayes each month for Program Administrator to provide feedback or guidance to ensure errors are not being repeated.

Proposed completion date: March 31, 2022.

Section IV - State Award Findings and Questioned Costs

Corrective actions for Finding 2021-001, 2021-002 and 2021-003 also apply to State Award findings.

Granville County, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2021

Finding: 2020-001

Status: Corrected

Finding: 2020-002

Status: This finding is not corrected, repeated as 2021-001.

Finding: 2020-003

Status: Corrected

Finding: 2020-004

Status: This finding is not corrected, repeated as 2021-002.

GRANVILLE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

| Grantor/Pass-through Grantor/Program Title 1(a) | Federal AL# CFDA Number 1(b) | State/ Pass-through Grantor's Number | Federal (Direct & Pass-through) Expenditures 1(c)(d),2 | State Expenditures 1(d) | Provided to Subrecipients 1(e) | Local Expenditures 1(d) |
|--|--|---|--|-------------------------------|---|-------------------------------|
| Federal Awards: | | | | | | |
| <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 | | \$ 646,835 | \$ - | \$ - | \$ 646,835 |
| Total U.S. Department of Agriculture | | | 646,835 | - | - | 646,835 |
| <u>U.S. Dept. of Housing and Urban Development</u> | | | | | | |
| Passed-through N.C. Department of Commerce | | | | | | |
| CDBG - Building Reuse Program | 14.228 | CDBG 18-E-3054 | 8,077 | - | - | - |
| Total U.S. Department of Housing and Urban Development | | | 8,077 | - | - | - |
| <u>U.S. Dept. of Transportation</u> | | | | | | |
| Passed-through the N.C. Department of Transportation: | | | | | | |
| Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | DOT-14 51001.35.5.3 | 45,612 | 5,701 | - | 5,702 |
| Total U.S. Dept. of Transportation | | | 45,612 | 5,701 | - | 5,702 |
| <u>U.S. Dept. of Treasury</u> | | | | | | |
| Passed-through the Office of State Budget and Management: | | | | | | |
| NC Pandemic Recovery Office | | | | | | |
| Coronavirus Relief Fund | 21.019 | | 2,080,904 | - | 601,625 | - |
| Total U.S. Dept. of Treasury | | | 2,080,904 | - | 601,625 | - |
| <u>U. S. Department of Homeland Security</u> | | | | | | |
| Passed-through N.C. Dept. of Public Safety: | | | | | | |
| Division of Emergency Management: | | | | | | |
| Emergency Management Performance Grant | 97.042 | | 36,715 | - | - | - |
| COVID-19 EMPG Supplemental Grant | 97.042 | | 12,725 | | | |
| Total U. S. Department of Homeland Security | | | 49,440 | - | - | - |
| <u>U.S. Election Assistance Commission</u> | | | | | | |
| Passed-through N.C. State Board of Elections | | | | | | |
| HAVA Election Security Grants | 90.404 | | 50,606 | - | - | - |
| COVID-19 HAVA Election Security Grants | 90.404 | | 110,272 | - | - | - |
| Total U.S. Election Assistance Commission | | | 160,878 | - | - | - |
| <u>U.S. Dept. of Health & 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 | | 3,561 | 237 | - | - |
| <u>Aging Cluster:</u> | | | | | | |
| Special Programs for the Aging - Title III B | | | | | | |
| Grants for Supportive Services and Senior Centers | 93.044 | | 152,821 | 8,989 | - | - |
| COVID-19 Special Programs for the Aging - Title III B | 93.044 | | 57,621 | | | |
| Special Programs for the Aging - Title III C | | | | | | |
| Nutrition Services | 93.045 | | 59,293 | 3,488 | - | - |
| Family First Special Programs for the Aging - Title III C | 93.045 | | 56,213 | | | |
| Nutrition Services Incentive Program | 93.053 | | 26,269 | - | - | - |
| Total Aging Cluster | | | 352,217 | 12,477 | - | - |

GRANVILLE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

| Grantor/Pass-through Grantor/Program Title | Federal AL# CFDA Number 1(b) | State/ Pass-through Grantor's Number | Federal (Direct & Pass-through) Expenditures 1(c)(d),2 | State Expenditures 1(d) | Provided to Subrecipients 1(e) | Local Expenditures 1(d) |
|---|--|---|--|-------------------------------|---|-------------------------------|
| 1(a) | | | | | | |
| Passed through NC Department of Health & Human Services | | | | | | |
| Division of Social Services: | | | | | | |
| Temporary Assistance for Needy Families Cluster | | | | | | |
| TANF - TEA Foster Care | 93.558 | | 12,857 | - | - | - |
| TANF - Work First | 93.558 | | 366,552 | - | - | 409,828 |
| Total TANF Cluster | | | 379,409 | - | - | 409,828 |
| Foster Care and Adoption Cluster (Note 4) | | | | | | |
| Foster Care - Title IV-E | 93.658 | | 196,638 | 29,129 | - | 108,362 |
| Foster Care | N/A | | 172,852 | - | - | 18,786 |
| Adoption Assistance | 93.659 | | 8,815 | - | - | 8,766 |
| IV-E Adoption | N/A | | 1,153 | - | - | 92 |
| Total Foster Care and Adoption Cluster (Note 4) | | | 379,458 | 29,129 | - | 136,006 |
| Child Support Enforcement | 93.563 | | 557,179 | 371 | - | 286,660 |
| Family Preservation | 93.556 | | 14,995 | - | - | - |
| Low-Income Home Energy Assistance: | | | | | | |
| Administration | 93.568 | | 38,789 | - | - | - |
| Energy Assistance Payments | 93.568 | | 198,211 | - | - | - |
| Crisis Intervention Program | 93.568 | | 87,054 | - | - | - |
| COVID-19 LIEAP | 93.568 | | 130,400 | - | - | - |
| COVID-19 LIEAP Admin | 93.568 | | 12,248 | - | - | - |
| Total Low-Income Home Energy Assistance | | | 466,702 | - | - | - |
| Stephanie Tubbs Jones Child Welfare Services Program: | | | | | | |
| - Permanency Planning - Families for Kids | 93.645 | | 16,999 | - | - | 5,666 |
| Chafee Foster Care Independence Program | 93.674 | | 10,440 | 2,197 | - | - |
| SSBG - Other Service and Training | 93.667 | | 224,758 | - | - | 74,919 |
| Division of Aging and Adult Services: | | | | | | |
| Division of Social Services: | | | | | | |
| SSBG - State In Home Service Fund | 93.667 | | 2,703 | - | - | 386 |
| SSBG - State Adult Day Care | 93.667 | | 15,598 | 20,905 | - | 3,491 |
| SSBG - Child Adopt Incentive Fund | 93.667 | | - | 375 | - | (375) |
| Total Social Service Block Grant | | | 243,059 | 21,280 | - | 78,421 |
| Division of Child Development and Early Education: | | | | | | |
| Subsidized Child Care | | | | | | |
| Child Care Development Fund Cluster: | | | | | | |
| Division of Social Services: | | | | | | |
| Child Care Development Fund-Administration | 93.596 | | 79,947 | - | - | - |
| Total Subsidized Child Care | | | 79,947 | - | - | - |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | | | |
| Division of Medical Assistance: | | | | | | |
| Division of Social Services: | | | | | | |
| Administration: | | | | | | |
| Medical Assistance Program | 93.778 | | 1,621,855 | 4,063 | - | 631,768 |
| Division of Social Services: | | | | | | |
| Administration: | | | | | | |
| State Children's Insurance Program - N.C. Health Choice | 93.767 | | 49,481 | 1,096 | - | 8,875 |
| Total U.S. Dept. of Health and Human Services | | | 4,175,302 | 70,850 | - | 1,557,224 |
| Total Federal Awards | | | \$ 7,167,048 | \$ 76,551 | \$ 601,625 | \$ 2,209,761 |

GRANVILLE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

| Grantor/Pass-through Grantor/Program Title 1(a) | Federal AL# CFDA Number 1(b) | State/ Pass-through Grantor's Number | Federal (Direct & Pass-through) Expenditures 1(c)(d),2 | State Expenditures 1(d) | Provided to Subrecipients 1(e) | Local Expenditures 1(d) |
|---|--|---|--|-------------------------------|---|-------------------------------|
| State Awards: | | | | | | |
| <u>N.C. Dept. of Administration</u> | | | | | | |
| Veterans Service | | | \$ - | \$ 2,084 | \$ - | \$ - |
| Total N.C. Dept. of Administration | | | - | 2,084 | - | - |
| <u>N.C. Dept of Natural and Cultural Resources</u> | | | | | | |
| Division of Parks and Recreation | | | | | | |
| Parks and Recreation Trust Fund | | | - | 270,000 | - | - |
| Total of N.C. Dept of Agriculture and Consumer Services | | | - | 270,000 | - | - |
| <u>N.C. Dept. of Cultural and Natural Resources</u> | | | | | | |
| Division of State Library | | | | | | |
| State Aid to Public Libraries | | | - | 108,694 | - | - |
| Total N.C. Dept. of Cultural and Natural Resources | | | - | 108,694 | - | - |
| <u>N.C. Department of Commerce</u> | | | | | | |
| Division of Rural Economic Development | | | | | | |
| Building Reuse Program - Project Pickle | | | - | 69,416 | - | - |
| Building Reuse Program - Project Ivac | | | - | 500,000 | - | - |
| Total N.C. Department of Commerce | | | - | 569,416 | - | - |
| <u>N.C. Dept. of Health and Human Services</u> | | | | | | |
| Passed-through Kerr-Tar Plain Council of Governments: | | | | | | |
| Division of Aging and Adult Services | | | | | | |
| State Appropriation - Access | | | - | 930 | - | - |
| State Appropriation - In-Home Services | | | - | 94,044 | - | - |
| State Appropriation - Home Delivered Meals | | | - | 143,484 | - | - |
| State Appropriation | | | - | 20,025 | - | - |
| Total Division of Aging and Adult Services | | | - | 258,483 | - | - |
| Division of Social Services | | | | | | |
| ST Child Welfare/CPS/CS LD | | | - | 93,904 | - | - |
| COVID-19 APS/CPS CARE | | | - | 38,777 | - | - |
| County Funded Programs | | | - | - | - | 478,935 |
| DCD Smart Start | | | - | 26,664 | - | - |
| Energy Assistance | | | - | 12,429 | - | - |
| Non-Allocating Reimbursable | | | - | - | - | 1,076 |
| CSE Disaster Non-Reimbursable | | | - | - | - | 497 |
| Work First Non Reimbursable | | | - | - | - | 55,140 |
| F/C At Risk Maximization | | | - | 691 | - | 248 |
| COVID-19 FC Stipend | | | - | 7,800 | - | - |
| SFHF Maximization | | | - | - | - | - |
| State Foster Home | | | - | 17,534 | - | 17,534 |
| Extended FC>20 Stipend | | | - | 200 | - | - |
| Total Division of Social Service | | | - | 197,999 | - | 553,430 |
| Total N. C. Department of Health and Human Services | | | - | 456,482 | - | 553,430 |
| <u>N.C. Dept. of Public Instruction</u> | | | | | | |
| Public School Building Capital Fund | | | - | 623,240 | - | - |
| Total N.C. Dept. of Public Instruction | | | - | 623,240 | - | - |
| <u>N.C. Department of Environmental Quality</u> | | | | | | |
| Electronic Management | | | - | 8,368 | - | - |
| Scrap Tire Fund | | | - | 1,430 | - | - |
| Total N.C. Department of Environmental Quality | | | - | 9,798 | - | - |

GRANVILLE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

| Grantor/Pass-through Grantor/Program Title 1(a) | Federal AL# CFDA Number 1(b) | State/ Pass-through Grantor's Number | Federal (Direct & Pass-through) Expenditures 1(c)(d),2 | State Expenditures 1(d) | Provided to Subrecipients 1(e) | Local Expenditures 1(d) |
|---|--|---|--|-------------------------------|---|-------------------------------|
| <u>N.C. Dept. of Public Safety</u> | | | | | | |
| Juvenile Crime Prevention Programs | | | | | | |
| JCPC Administration | | | - | 16,525 | - | - |
| Youth Village | | | - | 172,379 | 172,379 | |
| Boys and Girls Club | | | - | 26,085 | 26,085 | |
| Trails to Success | | | - | 29,119 | 29,119 | |
| Total Juvenile Crime Prevention Programs | | | - | 244,108 | 227,583 | - |
| Total N. C. Department of Public Safety | | | - | 244,108 | 227,583 | - |
| <u>N.C. State Board of Elections</u> | | | | | | |
| One-Stop Worker Bonus Fund | | | - | 10,210 | - | - |
| Total N.C. State Board of Elections | | | - | 10,210 | - | - |
| <u>N.C. Dept. of Transportation</u> | | | | | | |
| Rural Operating Assistance Program (ROAP) Cluster | | | | | | |
| ROAP Elderly and Disabled Transportation Assistance Program | | 36220.10.9.1 | - | 6,275 | - | - |
| Total ROAP Cluster | | | - | 6,275 | - | - |
| Total N.C. Dept. of Transportation | | | - | 6,275 | - | - |
| Total State Awards | | | \$ - | \$ 2,300,307 | \$ 227,583 | \$ 553,430 |
| Total Federal and State Awards | | | \$ 7,167,048 | \$ 2,376,858 | \$ 829,208 | \$ 2,763,191 |

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Granville County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. 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, Cost 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.

Note 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.

Note 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.

Note 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: Foster Care and

Note 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 County recipients that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

| Program Title | CFDA No. | Federal | State |
|--|----------|------------|------------|
| Special Supplemental Nutrition Program for Women Infant and Children | 10.557 | \$ 721,668 | \$ - |
| Supplemental Nutrition Assistance Program | 10.551 | 10,287,901 | - |
| Medical Assistance Program | 93.778 | 52,000,674 | 23,532,556 |
| Children's Health Insurance Program | 93.767 | 1,366,323 | 103,997 |
| IV-E Adopt & Vendor | 93.659 | 242,307 | 44,852 |
| TANF Payments & Penalties | 93.558 | 256,703 | - |
| CWS Adopt, Vendor, Guard | N/A | - | 123,378 |
| SAA/SAD HB 1030 | N/A | - | 124,691 |
| SC/SA Domiciliary Care | N/A | - | 204,949 |