

Granville County

North Carolina

Annual Comprehensive Financial Report

For the Year Ended June 30, 2022



FINANCE DEPARTMENT
STEVE MCNALLY
FINANCE DIRECTOR

GRANVILLE COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2022
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INTRODUCTORY SECTION



County Of Granville, North Carolina

Post Office Box 1286, Oxford, North Carolina 27565

County Administration
(919) 693-5240

January 20, 2023

**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, 2022, reflects the achievement of that goal. Each year this document is prepared to provide you with details about how the County receives, spends and accounts for its money, as well as key indicators of its financial strength.

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

The County's financial statements have been audited by 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, 2022 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, 2022 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, 2022. 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 2022. As of June, 2022, the County is experiencing an unemployment rate of 2.9%, lower than the state average of 3.4%, according to November 2021 NC Dept. 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 100 private and governmental companies. Over 37,000 people are employed in the Park, which has over 15 million developed square feet of space.

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

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

Short- and Long-Term Financial Planning

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

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

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

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, 2021. This was the twenty third consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

We appreciate the assistance and dedication of all employees in carrying out the services and programs approved by the Board of Commissioners. Preparation of this report would not have been possible without the dedicated efforts of the entire Finance Department staff and our independent auditors, 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.

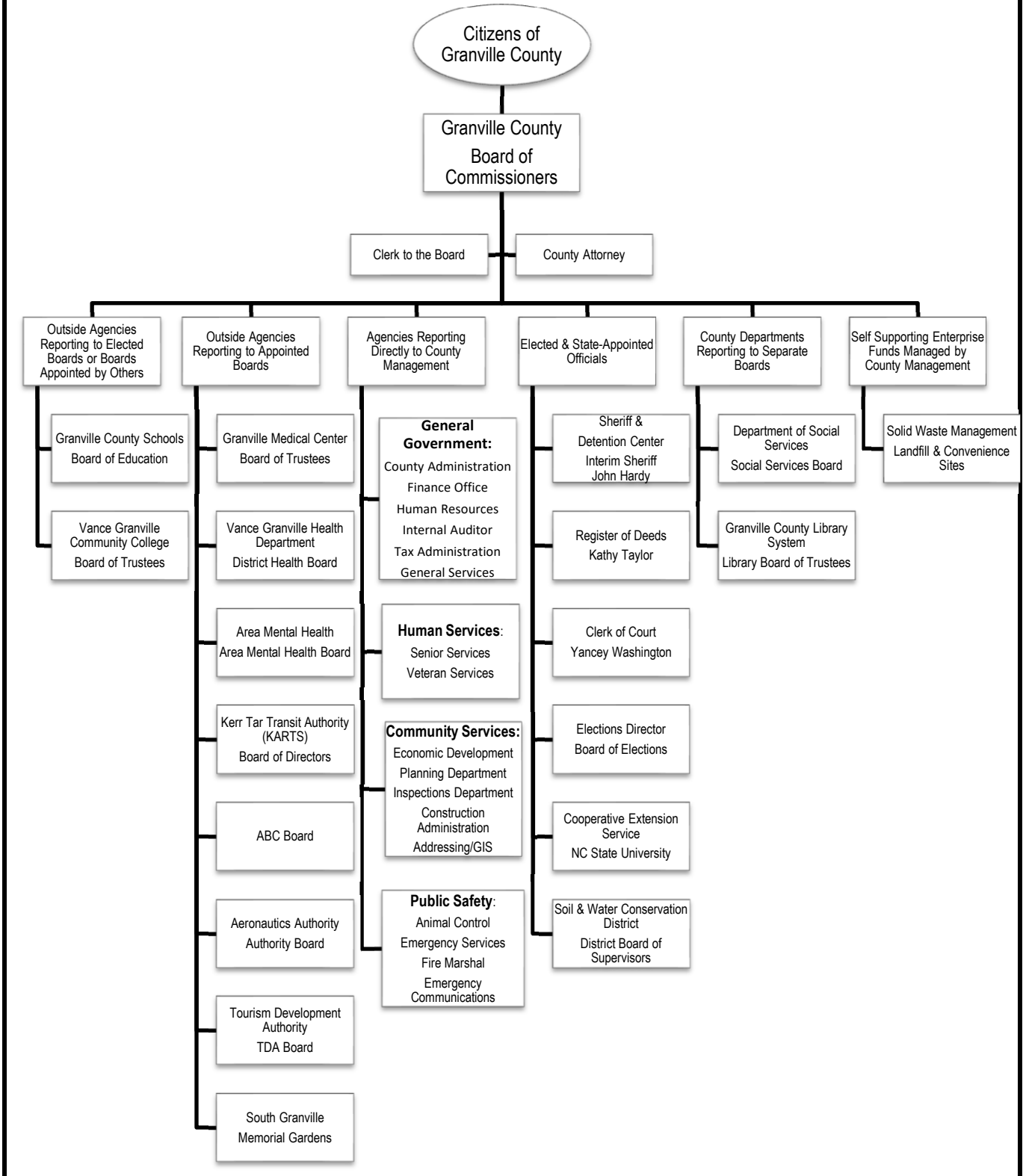
Respectfully submitted,

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

Steve McNally
Finance Director

Granville County Government Organizational Chart

Granville County Government Organizational Chart



GRANVILLE COUNTY, NORTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2022

**Board of County
Commissioners**

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

Debra A. Weary, Clerk to the Board

County Officials

Michael S. Felts	County Manager
Korena Weichel	Assistant County Manager
Stephen McNally	Finance Director
Jennifer Griffin	Tax Administrator
Kathy M. Taylor	Register of Deeds
John Hardy	Sheriff (interim)
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
Christopher Dethmers	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



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, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



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

**P.O Box 398
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

Opinions

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, 2022, and the related notes to the financial statements which collectively comprise Granville County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Granville County, North Carolina as of June 30, 2022, 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.

We did not audit the financial statements of both Granville Health System and Granville County ABC Board, which represent 98.86 percent, 97.83 percent, and 99.62 percent of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units. as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. 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 and Granville County ABC Board, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Granville County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Granville County ABC Board were not audited in accordance with *Governmental Auditing Standards*.

Responsibilities of Management for the Audit of 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raises substantial doubt about Granville County's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Governmental Auditing Standard will always detect material statement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Governmental Auditing Standards, we

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Granville County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 13, the Local Government Employees' Retirement System schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, pages 69 and 70, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and County Contributions, pages 71 and 72, 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, pages 73 and 74, and the Other Postemployment Benefits schedules of Changes in the Net OPEB Liability and Related Ratios, page 75, 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 combining and individual fund statements, budgetary schedules, other schedules, 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 are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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. In our opinion, based on our audit, the procedures performed as described above, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2023 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
January 20, 2023

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, 2022. 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.

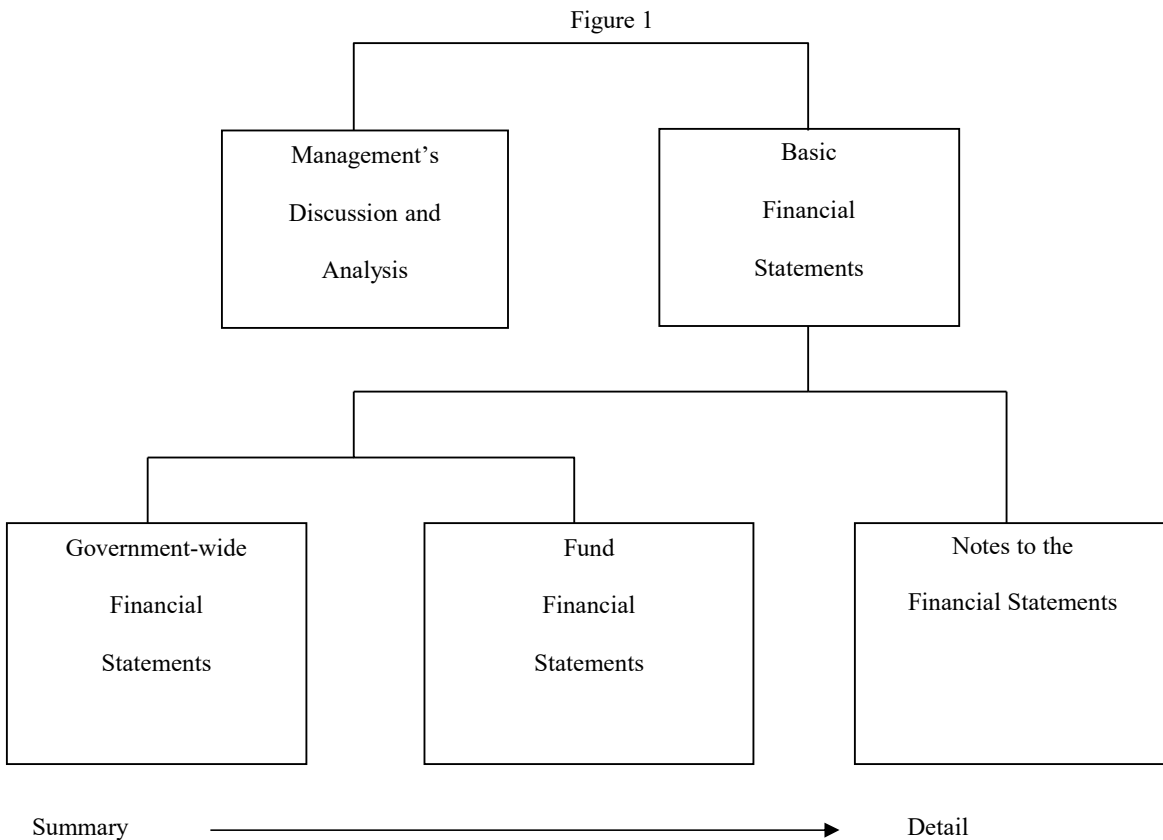
Financial Highlights

- The cash and cash equivalents (unrestricted) of the total primary government on the Statement of Net Position is \$60,391,338 which accounts for 39.21% of total primary government assets.
- The liabilities due in more than one year of \$114,246,228 account for 85.27% of total primary government liabilities.
- At the end of the current fiscal year, Granville County's governmental funds reported combined ending fund balances of \$53,901,491, after a net increase of \$1,407,176. Approximately twenty-eight percent (27.56%) of this total amount or \$14,854,532 is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$27,206,114, or 37.40 percent of total general fund expenditures for the fiscal year.
- Granville County's debt service for fiscal year 2022 accounts for 15.21% 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



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 \$21,636,257 as of June 30, 2022. The County’s net position increased by \$9,082,080 for that same time period. The County also recorded several prior period adjustments which resulted in a net decrease in net position of \$1,231,360. \$14,785,285 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. \$48,580,778 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 \$(41,729,806) 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	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 66,428,541	\$ 55,171,701	\$ 4,599,068	\$ 2,984,398	\$ 71,027,609	\$ 58,156,099
Capital assets	77,521,458	77,608,973	5,460,253	5,035,252	82,981,711	82,644,225
Total assets	143,949,999	132,780,674	10,059,321	8,019,650	154,009,320	140,800,324
Total deferred outflows of	10,228,721	9,995,333	127,374	120,290	10,356,095	10,115,623
Long-term liabilities outstanding	114,780,899	124,154,160	9,475,414	7,160,981	124,256,313	131,315,141
Other liabilities	9,175,474	2,742,154	552,059	212,715	9,727,533	2,954,869
Total liabilities	123,956,373	126,896,314	10,027,473	7,373,696	133,983,846	134,270,010
Total deferred inflows of resources	7,289,508	2,823,939	1,455,804	36,461	8,745,312	2,860,400
Net position:						
Net investment in capital assets	43,120,085	39,728,260	5,460,693	5,035,252	48,580,778	44,763,512
Restricted	14,785,285	16,552,241	-	-	14,785,285	16,552,241
Unrestricted	(34,972,531)	(43,224,747)	(6,757,275)	(4,305,469)	(41,729,806)	(47,530,216)
Total net position	\$ 22,932,839	\$ 13,055,754	\$ (1,296,582)	\$ 729,783	\$ 21,636,257	\$ 13,785,537

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

- Property tax and other intergovernmental taxes increased \$3,301,611 over the previous year, indicative of an improving State economy.
- Repayment of debt obligations

Granville County's Changes in Net Position

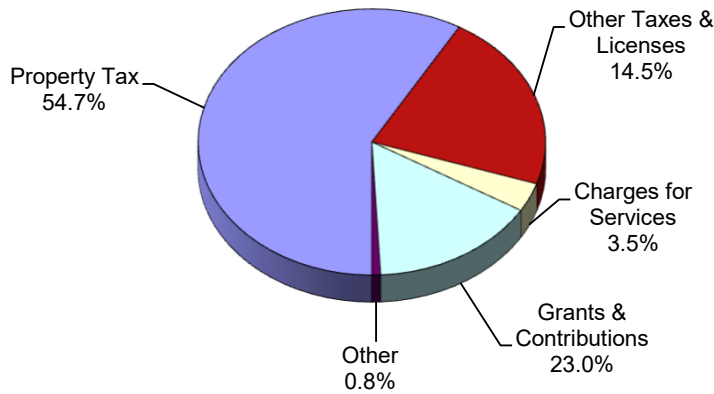
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 2,628,516	\$ 2,472,803	\$ 3,121,750	\$ 3,433,998	\$ 5,750,266	\$ 5,906,801
Operating grants and contributions	10,875,464	12,123,493	-	-	10,875,464	12,123,493
Capital grants and contributions	847,385	963,240	-	-	847,385	963,240
General revenues:						
Property taxes	43,896,725	43,106,425	-	-	43,896,725	43,106,425
Other taxes	16,324,325	13,813,014	-	-	16,324,325	13,813,014
Other	606,338	491,151	405,606	51,120	1,011,944	542,271
Total revenues	<u>75,178,753</u>	<u>72,970,126</u>	<u>3,527,356</u>	<u>3,485,118</u>	<u>78,706,109</u>	<u>76,455,244</u>
Expenses:						
General government	6,794,962	9,008,968	-	-	6,794,962	9,008,968
Public safety	17,797,042	14,268,404	-	-	17,797,042	14,268,404
Transportation	-	-	-	-	-	-
Economic and physical development	490,477	196,631	-	-	490,477	196,631
Human services	11,179,594	13,359,859	-	-	11,179,594	13,359,859
Community services	6,670,544	4,303,671	-	-	6,670,544	4,303,671
Education	20,096,041	19,599,555	-	-	20,096,041	19,599,555
Interest on long-term debt	3,082,417	3,613,243	-	-	3,082,417	3,613,243
Landfill	-	-	3,152,584	3,306,328	3,152,584	3,306,328
Other	-	-	360,368	201,552	360,368	201,552
Total expenses	<u>66,111,077</u>	<u>64,350,331</u>	<u>3,512,952</u>	<u>3,507,880</u>	<u>69,624,029</u>	<u>67,858,211</u>
Increase in net position before transfers and special items	9,067,676	8,619,795	14,404	(22,762)	9,082,080	8,597,033
Transfers and special items	-	-	-	-	-	-
Change in net position	9,067,676	8,619,795	14,404	(22,762)	9,082,080	8,597,033
Net position, beginning	13,055,754	4,410,218	729,783	608,581	13,785,537	5,018,799
Prior Period Adjustment / Restatement	809,409	25,741	(2,040,769)	143,964	(1,231,360)	169,705
Net position, beginning, restated	<u>13,865,163</u>	<u>4,435,959</u>	<u>(1,310,986)</u>	<u>752,545</u>	<u>12,554,177</u>	<u>5,188,504</u>
Net position, ending	<u>\$ 22,932,839</u>	<u>\$ 13,055,754</u>	<u>\$ (1,296,582)</u>	<u>\$ 729,783</u>	<u>\$ 21,636,257</u>	<u>\$ 13,785,537</u>

Governmental activities. Governmental activities increased the County’s net position by \$9,067,676 over the prior year. Key elements of this increase are as follows:

- Sales tax increased \$1.5m from the previous year, indicative of an improving State economy.
- Property tax collections increased by \$790,300
- The County had several ongoing construction projects that resulted in the capitalization of expenses.

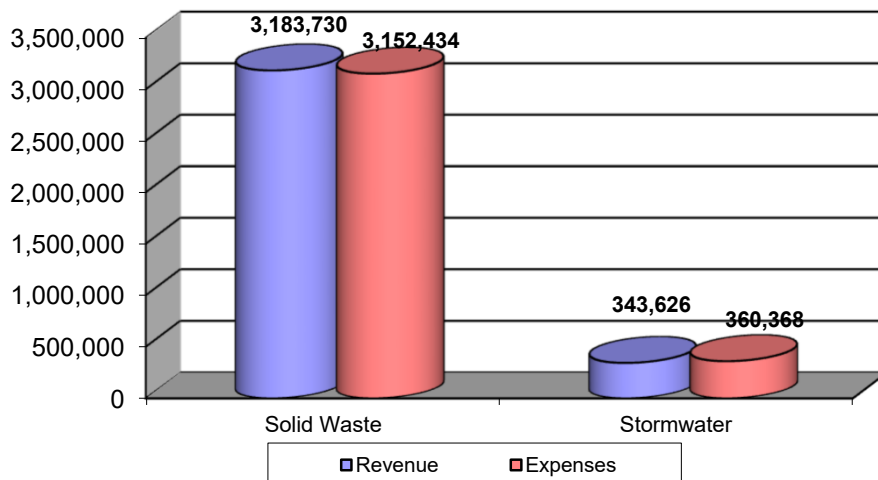
**Governmental Activities Revenue Sources
For Fiscal Year 2022**



Business-type activities. Business-type activities increased Granville County’s net position by \$14,404 over the prior year. Key elements of this increase are as follows:

- Landfill operation costs decreased \$128,548 from the previous year.

**Fiscal Year 2021-2022
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 \$27,206,114 while total fund balance reached \$50,668,464. The remainder of fund balance, \$23,462,350 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 37.40 percent of total General Fund expenditures, while total fund balance represents 69.65 percent of that same amount.

At June 30, 2022, the governmental funds of Granville County reported a combined fund balance of \$53,901,491 a 2.72 percent increase from last year. This increase is due primarily to the increases in the General Fund.

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 \$4,926,925. 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 \$2,684,532 or 19.85%. The County had taken a conservative approach in budgeting Sales Tax as a result of COVID. The Property Tax revenues increased \$800,021 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 \$3,186,101 or 4.27%.

Proprietary Funds. Granville County's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Solid Waste Fund equaled \$(7,215,458). The total net position for all proprietary funds is a deficit balance of \$1,298,091. The total change in net position for the proprietary funds was an increase of \$14,496.

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 2021-2022 activity resulted in a decrease in net position of \$6,704.

Capital Asset and Debt Administration

Capital Assets. Granville County's capital assets for its governmental and business-type activities as of June 30, 2022 totals \$82,981,711 (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:

- Completion of the Law Enforcement Center
- Completion of the Granville Vance District Health renovation
- Completion of the GAP Phase III upgrade

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 8,291,666	\$ 8,291,666	\$ 1,020,695	\$ 1,020,695	\$ 9,312,361	\$ 9,312,361
Buildings	45,940,064	12,416,127	229,989	237,795	46,170,053	12,653,922
Improvements	14,808,249	13,132,002	3,592,284	3,676,515	18,400,533	16,808,517
Machinery and Equipment	1,370,557	1,218,146	-	-	1,370,557	1,218,146
Intangible Assets	5,667,750	5,839,500	-	-	5,667,750	5,839,500
Fixtures and Equipment	-	-	92,405	100,247	92,405	100,247
Construction in progress	1,443,172	36,711,532	524,880	-	1,968,052	36,711,532
Total	\$ 77,521,458	\$ 77,608,973	\$ 5,460,253	\$ 5,035,252	\$ 82,981,711	\$ 82,644,225

Additional information on Granville County's capital assets can be found in the notes to the financial statements beginning on page 27 of this report.

Long-term Debt. At the end of fiscal year 2022, Granville County had total bonded debt outstanding of \$45,821,000, 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	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 45,821,000	\$ 51,737,000	\$ -	\$ -	\$ 45,821,000	\$ 51,737,000
Plus: Premiums on issuance	4,083,953	4,382,632	-	-	4,083,953	4,382,632
Total General Obligation Bonds	49,904,953	56,119,632	-	-	49,904,953	56,119,632
Financing Agreements	-	815,297	-	-	-	815,297
Lease liabilities	1,691,893	-	12,104	-	1,703,997	-
Direct Placement Installment	27,509,698	29,393,310	-	-	27,509,698	29,393,310
Certificates of participation	5,215,000	5,215,000	-	-	5,215,000	5,215,000
Total Debt	\$ 84,321,544	\$ 91,543,239	\$ 12,104	\$ -	\$ 84,333,648	\$ 91,543,239

Granville County's total general obligation debt decreased by \$5,916,000 (11.43 percent) during fiscal year 2021-2022 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 \$336,343,208, 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 27 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 2022 AccessNC report, the County is experiencing an unemployment rate of 2.9%, lower than the state average of 3.4%.
- Per Capita annual income in Granville County is approximately \$42,807.
- RiceWrap has received a \$312,500 Building Reuse Grant for plant expansion that will create 200 jobs.
- Altec has received a \$500,000 Building Reuse Grant for a plant expansion that will help create 72 jobs.
- Dill Air Control has received a \$287,500 Building Reuse grant for expansion.
- Nugget applied for a \$460,000 CDBG grant that will help create 60 jobs over three years.
- Meel Corp - has received a \$150,000 Building Reuse Grand and OneNC grant for \$50,000 for plant expansion which will create 24 jobs.
- D'Aragan - has received a \$100,000 Building Reuse Grant and OneNC grant for \$50,000 for plant expansion which will create 15 jobs.
- Carolina Coops has received a OneNC grant for expansion that will create 132 jobs

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

Budget Highlights for Fiscal Year Ending June 30, 2023

Governmental Activities

The tax base is projected to provide revenues of \$44,313,280 when calculated with the current collection percentage rate. The total projected assessed valuation for the County is \$5,306,654,084.

Budgeted expenditures for fiscal year 2022-2023 in the General Fund reflect an increase from the previous original fiscal year budget of 7.6%. Major drivers for the increase include an increase in health insurance, a 1.2% increase in the required employer retirement contribution, increased salaries due to merit, as well as a 2.5% COLA adjustment, \$600,000 upgrade to the County server system and a \$3.3 million increase in facility and vehicle funding for Granville County EMS.

The fiscal year 2022-2023 budget appropriates \$3,466,276 of available fund balance to balance the general fund budget. Total revenues, excluding appropriated fund balance, reflect a 11.1% increase from the previous year original budget. Budgeted revenue increases include property tax (up \$0.721 million), sales tax (up \$1.236 million), increased fee revenue (Up \$0.737 million), as well as \$5,000,000 tranche from the ARPA grant.

Business Type Activities

The Storm Water Fund budget for FY 2023 did not change significantly.

The Solid Waste Fund budget increased by \$3.8 million due to construction of a new \$4.0 million landfill cell.

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, 2022

Exhibit 1

	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
ASSETS							
Cash and cash equivalents	\$ 44,431,937	\$ 3,388,440	\$ 47,820,377	\$ 21,980,817	\$ 1,839,888	\$ 476,667	\$ 176,748
Taxes receivable (net)	642,776	-	642,776	-	-	-	-
Accrued interest receivable on taxes	68,744	-	68,744	-	-	-	-
Accounts receivables (net)	5,393,790	313,798	5,707,588	11,807,224	-	-	26,055
Lease receivable, current	478,347	17,200	495,547	-	-	-	-
Due from primary governments	-	-	-	-	-	28,739	-
Due from related party	-	-	-	927,335	-	-	-
Inventories	-	-	-	2,009,483	611,679	-	1,635
Prepaid items	6,200	-	6,200	724,320	8,393	-	-
Internal balances	482,339	(482,339)	-	-	-	-	-
Restricted assets:							
Cash and cash equivalents	12,570,961	-	12,570,961	-	-	-	100,000
Lease receivable, noncurrent	592,456	1,349,425	1,941,881	-	-	-	-
Assets whose use is limited	-	-	-	4,905,062	-	-	-
Net pension asset	87,778	-	87,778	-	-	-	-
Capital assets:							
Land, improvements, and construction in progress	9,734,838	1,545,575	11,280,413	1,790,207	338,774	-	39,534
Other capital assets, net of depreciation	67,786,620	3,914,678	71,701,298	28,159,666	921,605	-	30,938
Total capital assets	77,521,458	5,460,253	82,981,711	29,949,873	1,260,379	-	70,472
Right to use leased assets, net	1,673,213	12,544	1,685,757	-	-	-	-
Total assets	143,949,999	10,059,321	154,009,320	72,304,114	3,720,339	505,406	374,910
DEFERRED OUTFLOWS OF RESOURCES	10,228,721	127,374	10,356,095	5,804,190	173,120	-	-
LIABILITIES							
Accounts payable and accrued expenses	2,506,850	552,059	3,058,909	5,788,177	445,010	918	1,140
Accrued interest payable	623,705	-	623,705	-	-	-	-
Estimated third party payor settlements, Provider Relief Funds	-	-	-	3,053,275	-	-	-
Due to component units	28,739	-	28,739	-	-	-	-
Unearned grant revenues	6,016,180	-	6,016,180	-	-	-	-
Long-term liabilities:							
Due within one year:							
Bonds payable	6,100,679	-	6,100,679	-	-	-	-
Notes and COPS payable	1,804,152	-	1,804,152	877,211	-	-	-
Lease Liabilities and Installment Purchases	364,403	5,767	370,170	-	-	-	-
Compensated absences	394,468	6,789	401,257	-	-	-	-
Due in more than one year:							
Bonds payable	43,804,274	-	43,804,274	-	-	-	-
Notes and COPS payable	30,920,546	-	30,920,546	17,116,649	-	-	-
Lease Liabilities and Installment Purchases	1,327,490	6,337	1,333,827	-	-	-	-
Accrued landfill closure and postclosure costs	-	9,084,589	9,084,589	-	-	-	-
Compensated absences payable	1,183,404	20,366	1,203,770	2,077,418	-	-	-
Total OPEB Liability	23,050,179	308,332	23,358,511	-	545,677	-	-
Net pension liability - LGERS	2,857,409	43,234	2,900,643	5,063,014	50,149	-	-
Total pension liability - LEOSSA	2,973,895	-	2,973,895	-	-	-	-
Total long-term liabilities	114,780,899	9,475,414	124,256,313	25,134,292	595,826	-	-
Total liabilities	123,956,373	10,027,473	133,983,846	33,975,744	1,040,836	918	1,140

Granville County, North Carolina
Statement of Net Position
June 30, 2022

Exhibit 1
continued

	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
DEFERRED INFLOWS OF RESOURCES	7,289,508	1,455,804	8,745,312	7,354,071	84,875	-	600
NET POSITION							
Net investment in capital assets	43,120,085	5,460,693	48,580,778	11,956,013	1,260,379	-	70,472
Restricted for:							
Stabilization by State Statute	6,107,325	-	6,107,325	-	-	28,739	26,055
Register of Deeds	112,665	-	112,665	-	-	-	-
Human Services	1,634,753	-	1,634,753	654,137	-	-	-
Education	6,178,485	-	6,178,485	-	-	-	-
Community Services	290,677	-	290,677	-	-	-	-
Public Safety	461,380	-	461,380	-	-	-	-
Working Capital	-	-	-	-	184,873	-	-
Cemetary Perpetual Care and Maintenance	-	-	-	-	-	-	100,000
Tourism Related Capital Development	-	-	-	-	-	284,416	-
Unrestricted (deficit)	(34,972,531)	(6,757,275)	(41,729,806)	24,168,339	1,322,496	191,333	176,643
Total net position	\$ 22,932,839	\$ (1,296,582)	\$ 21,636,257	\$ 36,778,489	\$ 2,767,748	\$ 504,488	\$ 373,170

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, 2022

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position							
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units				
					Governmental Activities	Business-type Activities	Total	Granville Health System	Granville County ABC Board	Granville County Tourism Development Authority	South Granville Memorial Gardens	Total Reporting Unit
Primary government:												
Governmental Activities:												
General government	\$ 6,794,962	\$ 618,730	\$ -	\$ -	\$ (6,176,232)	\$ -	\$ (6,176,232)	\$ -	\$ -	\$ -	\$ -	\$ (6,176,232)
Public safety	17,797,042	1,295,517	2,842,752	-	(13,658,773)	-	(13,658,773)	-	-	-	-	(13,658,773)
Economic and physical development	490,477	15,404	78,840	280,000	(116,233)	-	(116,233)	-	-	-	-	(116,233)
Human services	11,179,594	22,574	7,723,917	-	(3,433,103)	-	(3,433,103)	-	-	-	-	(3,433,103)
Community services	6,670,544	676,291	130,345	-	(5,863,908)	-	(5,863,908)	-	-	-	-	(5,863,908)
Education	20,096,041	-	99,610	567,385	(19,429,046)	-	(19,429,046)	-	-	-	-	(19,429,046)
Interest on long-term debt	3,082,417	-	-	-	(3,082,417)	-	(3,082,417)	-	-	-	-	(3,082,417)
Total governmental activities	<u>66,111,077</u>	<u>2,628,516</u>	<u>10,875,464</u>	<u>847,385</u>	<u>(51,759,712)</u>	<u>-</u>	<u>(51,759,712)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(51,759,712)</u>
Business-type activities:												
Solid Waste	3,152,584	2,854,553	-	-	-	(298,031)	(298,031)	-	-	-	-	(298,031)
Stormwater	360,368	267,197	-	-	-	(93,171)	(93,171)	-	-	-	-	(93,171)
Total business-type activities	<u>3,512,952</u>	<u>3,121,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(391,202)</u>	<u>(391,202)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(391,202)</u>
Total primary government	<u>\$ 69,624,029</u>	<u>\$ 5,750,266</u>	<u>\$ 10,875,464</u>	<u>\$ 847,385</u>	<u>(51,759,712)</u>	<u>(391,202)</u>	<u>(52,150,914)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52,150,914)</u>
Component Units:												
Granville Health System	\$ 77,150,779	\$ 85,167,848	\$ 4,995,852	\$ -	-	-	-	13,012,921	-	-	-	13,012,921
Granville County ABC Board	4,397,255	4,806,703	-	-	-	-	-	-	409,448	-	-	409,448
Granville County Tourism Development Authority	218,016	-	-	-	-	-	-	-	-	(218,016)	-	(218,016)
South Granville Memorial Gardens	74,390	75,882	-	-	-	-	-	-	-	-	1,492	1,492
Total component units	<u>\$ 81,840,440</u>	<u>\$ 90,050,433</u>	<u>\$ 4,995,852</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,012,921</u>	<u>409,448</u>	<u>(218,016)</u>	<u>1,492</u>	<u>13,205,845</u>
General revenues:												
Taxes:												
Property taxes, levied for general purpose					43,896,725	-	43,896,725	-	-	-	-	43,896,725
Local option sales tax					11,582,756	-	11,582,756	-	-	-	-	11,582,756
Other taxes												
Medicaid hold harmless					3,656,795	-	3,656,795	-	-	-	-	3,656,795
Various other taxes					1,084,774	-	1,084,774	-	-	288,384	-	1,373,158
Investment earnings, unrestricted					67,601	1,379	68,980	30,337	1,907	-	174	101,398
Miscellaneous, unrestricted					538,737	404,227	942,964	433,200	-	-	-	1,376,164
Transfers					-	-	-	-	-	-	-	-
Total general revenues, special items, and transfers					<u>60,827,388</u>	<u>405,606</u>	<u>61,232,994</u>	<u>463,537</u>	<u>1,907</u>	<u>288,384</u>	<u>174</u>	<u>61,986,996</u>
Change in net position					9,067,676	14,404	9,082,080	13,476,458	411,355	70,368	1,666	23,041,927
Net position-beginning					13,055,754	729,783	13,785,537	23,302,031	2,356,393	434,120	371,504	40,249,585
Prior Period Adjustment (see Note IX)					809,409	(2,040,769)	(1,231,360)	-	-	-	-	(1,231,360)
Net position-beginning, restated					<u>13,865,163</u>	<u>(1,310,986)</u>	<u>12,554,177</u>	<u>23,302,031</u>	<u>2,356,393</u>	<u>434,120</u>	<u>371,504</u>	<u>39,018,225</u>
Net position-ending	<u>\$ 22,932,839</u>	<u>\$ (1,296,582)</u>	<u>\$ 21,636,257</u>	<u>\$ 36,778,489</u>	<u>\$ 21,636,257</u>	<u>\$ (1,296,582)</u>	<u>\$ 21,636,257</u>	<u>\$ 36,778,489</u>	<u>\$ 2,767,748</u>	<u>\$ 504,488</u>	<u>\$ 373,170</u>	<u>\$ 62,060,152</u>

Granville County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2022

Exhibit 3

	Major		Non-Major	Total Governmental
	General Fund	ARPA Fund	Other Governmental Funds	
ASSETS				
Cash and cash equivalents	\$ 40,217,298	\$ -	\$ 3,428,092	\$ 43,645,390
Restricted cash	6,545,517	5,879,436	146,008	12,570,961
Taxes Receivable - net	642,776	-	-	642,776
Accounts Receivable - net	5,367,775	-	26,015	5,393,790
Lease Receivable	1,070,803	-	-	1,070,803
Due from other funds	713,535	-	-	713,535
Prepaid items	6,200	-	-	6,200
Total assets	\$ 54,563,904	\$ 5,879,436	\$ 3,600,115	\$ 64,043,455
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,142,805	\$ -	\$ 657	\$ 2,143,462
Due to other funds	-	-	229,687	229,687
Due to component unit	28,739	-	-	28,739
Unearned grant revenues	-	5,870,172	146,008	6,016,180
Total liabilities	2,171,544	5,870,172	376,352	8,418,068
Deferred inflows of resources	1,723,896	-	-	1,723,896
Fund balances:				
Non-Spendable:				
Prepaid assets	6,200	-	-	6,200
Leases	63,047	-	-	63,047
Restricted:				
Stabilization by State statue	6,081,310	-	26,015	6,107,325
Register of Deeds	112,665	-	-	112,665
Human Services	1,564,676	-	70,077	1,634,753
Education	3,934,098	-	2,244,387	6,178,485
Community Services	-	9,264	281,413	290,677
Public Safety	-	-	461,380	461,380
Committed:				
Tax Revaluation	318,208	-	-	318,208
Public Safety	615,870	-	-	615,870
Assigned:				
Subsequent year's expenditures	3,466,276	-	-	3,466,276
Public Safety	1,500,000	-	-	1,500,000
Human Services	2,000,000	-	-	2,000,000
Community Services	2,200,000	-	-	2,200,000
Economic and Physical Development	1,600,000	-	-	1,600,000
Unassigned:	27,206,114	-	140,491	27,346,605
Total fund balances	50,668,464	9,264	3,223,763	53,901,491
Total liabilities, deferred inflows of resources, and fund balances	\$ 54,563,904	\$ 5,879,436	\$ 3,600,115	\$ 64,043,455

Granville County, North Carolina
Reconciliation of the Governmental Funds Balance Sheet To
The Statement of Net Position
Governmental Fund
June 30, 2022

Exhibit 3a

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

Total Fund Balance - Governmental Funds	\$ 53,901,491
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)	77,521,458
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds (total right to use leased assets on government-wide statement in governmental activities column)	1,673,213
Net pension asset	87,778
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	2,409,739
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds	68,744
Deferred charges related to advance refunding bond issued – included on government-wide statement of net position but are not current financial resources.	527,921
Deferred inflows of resources for taxes and special assessments receivable	642,776
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	423,159
Consolidation adjustment for internal balances between the internal service fund and the governmental funds	(1,509)
Pension and OPEB related deferrals	1,082,673
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.	<u>(115,404,604)</u>
Net position of governmental activities	<u>\$ 22,932,839</u>

Granville County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2022

Exhibit 4

	Major		Non-Major		Total Governmental Funds
	General Fund	ARPA Fund	Other Governmental Funds		
REVENUES					
Ad valorem taxes	\$ 44,058,604	\$ -	\$ -	\$ -	\$ 44,058,604
Sales and other taxes	16,209,532	-	27,303	-	16,236,835
Licenses, fees and other revenues	2,453,418	-	15,404	-	2,468,822
Restricted intergovernmental revenues	11,591,211	-	688,409	-	12,279,620
Investment earnings	55,895	9,264	2,442	-	67,601
Miscellaneous	223,403	-	5,747	-	229,150
Total revenues	74,592,063	9,264	739,305	-	75,340,632
EXPENDITURES					
Current:					
General government	5,464,690	-	-	-	5,464,690
Public safety	15,711,224	-	300,002	-	16,011,226
Community Services	5,741,714	-	7,298	-	5,749,012
Human Services	13,229,117	-	151,373	-	13,380,490
Non-Departmental & Special Areas	3,138,261	-	-	-	3,138,261
Capital Outlay	-	-	234,450	-	234,450
Intergovernmental:					
Education	19,600,749	-	495,292	-	20,096,041
Debt service:					
Principal	8,614,909	-	-	-	8,614,909
Interest	3,298,383	-	-	-	3,298,383
Total expenditures	74,799,047	-	1,188,415	-	75,987,462
Revenues over expenditures	(206,984)	9,264	(449,110)	-	(646,830)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	2,318,547	-	-	-	2,318,547
Transfers to other funds	-	-	(2,318,547)	-	(2,318,547)
Lease liabilities issued	2,054,006	-	-	-	2,054,006
Total other financing sources and uses	4,372,553	-	(2,318,547)	-	2,054,006
Net change in fund balance	4,165,569	9,264	(2,767,657)	-	1,407,176
Fund balances, beginning, as previously reported					
	45,693,486	-	5,991,420	-	51,684,906
Prior period adjustment (see Note IX)	809,409	-	-	-	809,409
Fund balances, beginning, as restated	46,502,895	-	5,991,420	-	52,494,315
Fund balances, ending	\$ 50,668,464	\$ 9,264	\$ 3,223,763	\$ -	\$ 53,901,491

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, 2022

Exhibit 4a

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

Net changes in fund balances - total governmental funds	\$	1,407,176
<p>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.</p>		
		(87,515)
<p>Governmental funds report right to use leased assets as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated lease term and reported as amortization expense. This is the amount by which right to use leased assets exceeded amortization in the current period.</p>		
		1,673,213
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds</p>		
		(161,879)
<p>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.</p>		
		7,221,695
<p>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</p>		
		2,409,739
<p>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</p>		
		(6,612)
<p>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.</p>		
		(3,388,141)
Total changes in net position of governmental activities	\$	<u>9,067,676</u>

Granville County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2022

Exhibit 5

	General Fund			Variance With Final Positive Negative
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 43,592,772	\$ 43,592,772	\$ 44,058,604	\$ 465,832
Sales and other taxes	13,459,000	13,525,000	16,209,532	2,684,532
Licenses, fees and other revenues	2,803,024	2,184,584	2,453,418	268,834
Restricted intergovernmental revenues	9,319,402	11,938,606	11,591,211	(347,395)
Investment earnings	25,000	25,000	55,895	30,895
Miscellaneous	140,000	140,000	223,403	83,403
Total revenues	<u>69,339,198</u>	<u>71,405,962</u>	<u>74,592,063</u>	<u>3,186,101</u>
Expenditures				
Current:				
General government	5,106,978	5,379,199	5,464,690	(85,491)
Public safety	14,997,343	18,031,754	15,711,224	2,320,530
Community services	6,343,133	7,096,590	5,741,714	1,354,876
Human services	12,218,880	12,896,016	13,229,117	(333,101)
Non-departmental and special areas	4,252,513	4,092,213	3,138,261	953,952
Education	19,514,038	20,129,038	19,600,749	528,289
Contingency	290,000	10,000	-	10,000
Debt Service	12,261,548	12,261,548	11,913,292	348,256
Total expenditures	<u>74,984,433</u>	<u>79,896,358</u>	<u>74,799,047</u>	<u>5,097,311</u>
Revenues over (under) expenditures	<u>(5,645,235)</u>	<u>(8,490,396)</u>	<u>(206,984)</u>	<u>8,283,412</u>
Other financing sources (uses):				
Transfers from other funds	-	2,338,548	2,318,547	(20,001)
Transfers to other funds	-	(15,000)	-	15,000
Lease liabilities issued	-	-	2,054,006	2,054,006
Appropriated Fund Balance	5,645,235	6,166,848	-	(6,166,848)
Total other financing sources (uses)	<u>5,645,235</u>	<u>8,490,396</u>	<u>4,372,553</u>	<u>(4,117,843)</u>
Revenues and Other Financing Sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	4,165,569	<u>\$ 4,165,569</u>
Fund balances:				
Beginning of year, July 1			45,693,486	
Prior Period Adjustment (see Note IX)			<u>809,409</u>	
End of year, June 30			<u>\$ 50,668,464</u>	

Granville County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2022

Exhibit 6

	Enterprise Funds		Total	Internal Service
	Major	Non-Major		Fund
	Solid Waste Management	Stormwater Fund		Non-Major Fund County Health Plan Funds
ASSETS				
Current assets:				
Cash and investments	\$ 2,926,530	\$ 461,910	\$ 3,388,440	\$ 786,547
Accounts receivable (net)	293,703	20,095	313,798	-
Lease receivable, current	17,200	-	17,200	-
Prepaid items	-	-	-	-
Total current assets	<u>3,237,433</u>	<u>482,005</u>	<u>3,719,438</u>	<u>786,547</u>
Noncurrent assets:				
Lease receivable	1,349,425	-	1,349,425	-
Capital assets:				
Land, improvements and construction in progress	1,545,575	-	1,545,575	-
Other capital assets, net of depreciation	3,914,678	-	3,914,678	-
Total capital assets	<u>5,460,253</u>	<u>-</u>	<u>5,460,253</u>	<u>-</u>
Right to use assets, net	12,544	-	12,544	-
Total noncurrent assets	<u>6,822,222</u>	<u>-</u>	<u>6,822,222</u>	<u>-</u>
Total assets	<u>10,059,655</u>	<u>482,005</u>	<u>10,541,660</u>	<u>786,547</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>127,374</u>	<u>-</u>	<u>127,374</u>	<u>-</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
Current liabilities:				
Accounts Payable	516,201	25,331	541,532	363,388
Accrued Salaries and Benefits	10,527	-	10,527	-
Due to Other Funds	483,848	-	483,848	-
Compensated absences payable	6,789	-	6,789	-
Current portion of long-term debt	5,767	-	5,767	-
Total current liabilities	<u>1,023,132</u>	<u>25,331</u>	<u>1,048,463</u>	<u>363,388</u>
Noncurrent liabilities:				
Long-term debt	6,337	-	6,337	-
Net pension liability	43,234	-	43,234	-
Accrued landfill closure and postclosure care costs	6,644,588	-	6,644,588	-
Accrued landfill closure and postclosure care costs - Corrective Action	2,440,001	-	2,440,001	-
Total OPEB Liability	308,332	-	308,332	-
Compensated absences payable	20,366	-	20,366	-
Total noncurrent liabilities	<u>9,462,858</u>	<u>-</u>	<u>9,462,858</u>	<u>-</u>
Total liabilities	<u>10,485,990</u>	<u>25,331</u>	<u>10,511,321</u>	<u>363,388</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,455,804</u>	<u>-</u>	<u>1,455,804</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	5,460,693	-	5,460,693	-
Unrestricted	(7,215,458)	456,674	(6,758,784)	423,159
Total net position	<u>\$ (1,754,765)</u>	<u>\$ 456,674</u>	<u>(1,298,091)</u>	<u>\$ 423,159</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>1,509</u>	
Net position of business-type activities			<u>\$ (1,296,582)</u>	

Granville County, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2022

Exhibit 7

	Enterprise Funds		Total	Internal Service
	Major	Non-Major		Non-major Fund
	Solid Waste Management	Stormwater Fund		County Health Plan Fund
Operating Revenues:				
Restricted intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Charge for services	2,854,553	267,197	3,121,750	3,685,084
Miscellaneous	327,798	76,429	404,227	-
Total operating revenues	<u>3,182,351</u>	<u>343,626</u>	<u>3,525,977</u>	<u>3,685,084</u>
Operating Expenses:				
Landfill closure and postclosure	296,962	-	296,962	-
Solid waste operations	562,152	-	562,152	-
Landfill operations	2,148,066	-	2,148,066	-
Stormwater operations	-	360,368	360,368	-
Depreciation and Amortization	145,254	-	145,254	-
Health insurance administration	-	-	-	3,691,788
Total operating expenses	<u>3,152,434</u>	<u>360,368</u>	<u>3,512,802</u>	<u>3,691,788</u>
Operating income (loss)	<u>29,917</u>	<u>(16,742)</u>	<u>13,175</u>	<u>(6,704)</u>
Nonoperating Revenues (Expenses)				
Interest and fees	(58)	-	(58)	-
Interest earned on investments	1,379	-	1,379	-
Total Nonoperating Revenues(Expenses)	<u>1,321</u>	<u>-</u>	<u>1,321</u>	<u>-</u>
Income (loss) before contributions and transfers	31,238	(16,742)	14,496	(6,704)
Capital contributions	-	-	-	-
Transfers from other funds	-	-	-	-
Change in net position	31,238	(16,742)	14,496	(6,704)
Net Position, beginning	<u>254,766</u>	<u>473,416</u>	<u>728,182</u>	<u>429,863</u>
Prior Period Adjustment (see Note IX)	<u>(2,040,769)</u>	<u>-</u>	<u>(2,040,769)</u>	<u>-</u>
Net position, beginning, as restated	<u>(1,786,003)</u>	<u>473,416</u>	<u>(1,312,587)</u>	<u>429,863</u>
Net Position, ending	<u>\$ (1,754,765)</u>	<u>\$ 456,674</u>	<u>(1,298,091)</u>	<u>\$ 423,159</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(92)</u>	
Change in net position of business-type activities			<u>\$ 14,404</u>	

Granville County, North Carolina
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2022

	<u>Major Fund</u> Enterprise Fund	<u>Non-Major Fund</u> Enterprise Fund	<u>Totals</u> June 30, 2022	<u>Non-Major Fund</u> Internal Service Fund
	Solid Waste Management	Stormwater Fund		County Health Plan Fund
Cash flows from operating activities:				
Cash received from customers	\$ 3,201,195	\$ 357,451	\$ 3,558,646	\$ 3,685,084
Cash paid for goods and services	(2,076,077)	(364,653)	(2,440,730)	(3,461,383)
Cash paid to employees for services	(333,217)	-	(333,217)	-
Net cash provided (used) by operating activities	<u>791,901</u>	<u>(7,202)</u>	<u>784,699</u>	<u>223,701</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(582,799)	-	(582,799)	-
Increase in due to other funds	-	-	-	-
Lease liabilities issued	17,901	-	17,901	-
Payments on leases	(5,797)	-	(5,797)	-
Interest paid	(58)	-	(58)	-
Net cash provided by capital and related financing activities	<u>(570,753)</u>	<u>-</u>	<u>(570,753)</u>	<u>-</u>
Cash flows from noncapital financing activities				
Transfer-in	-	-	-	-
Net cash provided (used) by noncapital financial activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Interest on investments	1,379	-	1,379	-
Net cash flows from investing activities	<u>1,379</u>	<u>-</u>	<u>1,379</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	222,527	(7,202)	215,325	223,701
Cash and cash equivalents, July 1	<u>2,651,503</u>	<u>469,112</u>	<u>3,120,615</u>	<u>562,846</u>
Cash and cash equivalents, June 30	<u>\$ 2,874,030</u>	<u>\$ 461,910</u>	<u>\$ 3,335,940</u>	<u>\$ 786,547</u>

Granville County, North Carolina
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2022

	<u>Major Fund</u> Enterprise Fund Solid Waste Management	<u>Non-Major Fund</u> Enterprise Fund Stormwater Fund	<u>Totals</u> June 30, 2022	<u>Non-Major Fund</u> Internal Service Fund County Health Plan Fund
Operating income (loss)	\$ 29,917	\$ (16,742)	\$ 13,175	\$ (6,704)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	145,254	-	145,254	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	18,407	13,825	32,232	-
(Increase) decrease in prepaid expenses	-	-	-	-
(Increase) decrease in lease receivable	41,486	-	41,486	-
(Increase) Decrease in deferred inflows of resources - pensions	(13,706)	-	(13,706)	-
(Increase) Decrease in deferred inflows of resources - OPEB	6,622	-	6,622	-
Increase (decrease) in accounts payable and accrued liabilities	344,810	(4,285)	340,525	230,405
Increase (decrease) in accrued salaries	(1,180)	-	(1,180)	-
Increase (decrease) in deferred outflows of resources-pensions	61,769	-	61,769	-
Increase (decrease) in deferred outflows of resources-OPEB	(9,489)	-	(9,489)	-
Increase (decrease) in deferred outflows - leases	(41,049)	-	(41,049)	-
Increase (decrease) in total OPEB liability	13,740	-	13,740	-
Increase (decrease) in net pension liability	(53,756)	-	(53,756)	-
Increase (decrease) in compensated absences payable	(4,280)	-	(4,280)	-
Increase (decrease) in landfill closure and postclosure costs	253,356	-	253,356	-
Total adjustments	<u>761,984</u>	<u>9,540</u>	<u>771,524</u>	<u>230,405</u>
Net cash provided (used) by operating activities	<u>\$ 791,901</u>	<u>\$ (7,202)</u>	<u>\$ 784,699</u>	<u>\$ 223,701</u>

Granville County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2022

	Custodial Funds
ASSETS	
Cash and investments	\$ 134,686
Taxes receivable for other governments, net	207,170
Total Assets	\$ 341,856
LIABILITIES	
Accounts payable	\$ -
Due to other governments	-
Total liabilities	-
NET POSITION	
Restricted for:	341,856
Individuals, organizations, and other governments	\$ 341,856
Total fiduciary net position	341,856

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, 2022

Exhibit 10

	Custodial Funds
ADDITIONS	
Ad valorem taxes for other governments	\$ 9,970,095
Collections on behalf of inmates	342,170
Evidence receipts	16,822
Execution receipts	99,769
Total additions	10,428,856
DEDUCTIONS	
Tax distributions to other governments	9,982,496
Payments on behalf of inmates	349,746
Evidence Disbursements	24,384
Execution Disbursements	99,765
Total deductions	10,456,391
Net increase (decrease) in fiduciary net position	(27,535)
Net position, beginning	369,391
Net position, ending	\$ 341,856

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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. 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 YEAR ENDED JUNE 30, 2022**

● 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 YEAR ENDED JUNE 30, 2022**

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.

ARPA Fund - This fund is used to account for Coronavirus State and Local Fiscal Recovery Funds to support response to and recovery from the COVID-19 public health emergency.

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 non-major funds. The Emergency Telephone System Fund, the R. H. Thornton Library Memorial Fund, Coronavirus Relief, CARES/HAVA Election Grant, Sheriff Special Account, Representative Payee Funds, and Opioid Settlement 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.

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.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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.

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.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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.

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	\$ 318,208
General Fund	Register of Deeds	112,665
General Fund	Proceeds from hospital loan	922,244
General Fund	Reserve for hospital USDA loan	642,432
General Fund	Sinking fund set aside for debt payment	3,934,098
General Fund	Public Safety forfeiture funds	615,870
Opioid Settlement Fund	Unexpended Settlement	146,008
American Rescue Plan Fund	Unspent Grant Proceeds	5,879,436
Total Governmental Activities		<u>\$ 12,570,961</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, 2021. 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. Lease Receivable

The County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. There are no variable components under the lease agreement. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

6. 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.

7. 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.

8. 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.

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

	Useful Life
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:

	Useful Life
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:

	Useful Life
Buildings	20 Years
Furniture and Equipment	5-10 Years
Vehicles	6 Years
Computer, etc.	3 Years
Land Improvements	15 Years

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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.

9. Right to use assets

The County has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

10. 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 assets 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 several items that meets the criterion for this category – prepaid taxes, other pension related deferrals, other OPEB related deferrals, and lease receivables.

11. 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.

12. 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, 2022 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.

13. Opioid Settlement Funds

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

North Carolina’s Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 15% directly to the State (“State Abatement Fund”)
- 80% to abatement funds established by Local Governments (“Local Abatement Funds”)
- 5% to a County Incentive Fund.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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The County received \$146,008 as part of this settlement in Fiscal Year 2022. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30th, 2022. The MOA offered the County two options of expending the funds. The County opted for Option A, which allows the County to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic.

14. Reimbursements for Pandemic-related Expenditures

In FY 2020/21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The County was allocated \$11,740,344 of fiscal recovery funds to be paid in two equal installments. The first installment of \$5,870,172 was received in August 2021. The second installment will be received in mid-2022. County staff and the Board of Commissioners have elected to use \$1,740,344 of the ARPA funds on broadband/fiber optic enhancements and possible capital improvements. The County plans on using the rest of the funds for revenue replacement in Fiscal Year 2023. Revenue replacement funds will be transferred to the appropriate funds once the County has determined the intended use of the funds.

15. 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.

Leases - portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

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.

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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 in not already classified in restricted or committed.

Assigned for Public Safety-portion of fund balance that has been budgeted by the board for NCDOT Match Funds for New Commerce Drive Extension and Fire Service Facility Needs.

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 Community Service -portion of fund balance that has been budgeted by the board for community service needs (recreation).

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

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

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

16. 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 (\$30,968,652) 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)	\$ 103,670,723
Less accumulated depreciation	<u>(26,149,265)</u>
Net capital assets	<u>77,521,458</u>
Right to use assets used in governmental activities are not financial resources and , therefore, are not reported in the funds	2,054,006
Less accumulated amortization	<u>(380,793)</u>
Net right to use assets	<u>1,673,213</u>
Net pension asset	87,778
Contributions to the pension plan in the current fiscal year	1,785,600
Benefit payments and pension administration costs for LEOSSA	55,368
Contributions to OPEB plan in the current fiscal year	568,771
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements.	68,744
Deferred charges related to advance refunding bond issued – included on government-wide statement of net position but are not current financial resources.	527,921
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	423,159
Internal receivable representing cost in excess of charges to business-type activities-current year	(1,509)
Deferred inflows of resources for taxes and special assessments receivable	642,776
Pension related deferrals	(390,607)
OPEB related deferrals	1,473,280
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, installments, and leases	(80,237,591)
Compensated absences	(1,577,872)
Total OPEB Liability	(23,050,179)
Net pension liability-LGERS	(2,857,409)
Total pension liability-LEOSSA	(2,973,895)
Premium on bonds	(4,083,953)
Accrued interest payable	<u>(623,705)</u>
Total adjustment	<u>\$ (30,968,652)</u>

**GRANVILLE COUNTY, NORTH CAROLINA
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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 \$7,660,496 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	\$ 2,413,644
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(2,501,159)
Capital outlay expenditures associated with leases are recorded in the fund statements but capitalized as right to use assets in the statement of activities.	2,054,006
Amortization expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(380,793)
Lease liabilities recorded during the year are 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	(2,054,006)
Principal payments on lease liabilities 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.	362,113
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	8,614,909
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	(6,704)
Less: Profit from charges to business-type activities	<u>92</u>
Net adjustment	(6,612)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,785,600
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	55,368
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	568,771
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)	58,075

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-Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(182,369)
-OPEB expense	(1,381,564)
-County's portion of collective pension expense	(1,741,495)
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	(147,009)
-Increase (decrease) in accrued taxes receivable at end of year	(14,870)
Total adjustment	\$ 7,660,500

NOTE II: Stewardship, Compliance and Accountability

Deficit Fund Balance or Net Position of Individual Funds

The Solid Waste Management Fund is reporting a deficit net position of \$1,754,765. The deficit is primarily attributed to the estimated closure and post-closure costs associated with the County's landfill, which have increased sharply over the last two years as the landfill has reached the limit of its currently approved capacity due to an increase in utilization related to debris from several major hurricane events and bridge replacement projects.

Excess of Expenditures over Appropriations

The County adopts their budget by department. Expenditures exceeded the budgeted primarily because budget amendments were not prepared to account for postings required as a result of the implementation of GASB 87. For fiscal year 2023, the County will ensure that budget amendments are appropriately approved and recorded to cover expenditures.

Board of Commissioners	100,592
Administration	169,006
Information Technology	886
Human Resources	157,101
Soil Conservation Program	268
Jonesland Park Operations	24,648
Tourism	128
Health & Medical Services	564,702

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.

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, 2022, the County's deposits had a carrying amount of \$17,821,290 and a bank balance of \$18,656,026. Of the bank balance, \$750,000 was covered by federal depository insurance, and \$17,906,026 in interest bearing deposits was covered by collateral held under the Pooling Method.

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At June 30, 2022, Granville County had \$2,325 cash on hand.

At June 30, 2022, the carrying amount of deposits for Granville County ABC Board was \$1,834,988 and the bank balance was \$1,816,051. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$1,566,051 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, 2021, the System's deposits had a carrying amount of approximately \$21,950,000 and a bank balance of approximately \$23,183,000. Of the bank balance, approximately \$250,000 was covered by federal depository insurance and approximately \$22,933,000 was covered by collateral held under the Pooling method. The System also had cash on hand at September 30, 2021, in the amount of approximately \$2,000.

At June 30, 2022, the Tourism Development Authority had a carrying amount of \$476,667 and a bank balance of \$476,741. 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, 2022, the Memorial Gardens had a carrying amount of \$169,692 and a bank balance of \$169,303. All of the bank balance was covered by federal depository insurance.

2. Investments

At June 30, 2022, 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	\$ 42,702,409	\$ 42,702,409	\$ -	\$ -	100%
Total		\$ 42,702,409	\$ 42,702,409	\$ -	\$ -	100%

At June 30, 2022, South Granville Memorial Gardens had the following investments and maturities:

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Book Value 6/30/2022</u>	<u>Maturity</u>	<u>Rating</u>
NC Capital Management Trust-Fair Value-Level Govt Portfolio*	1	\$ 107,056	.15 years	Unrated

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 it's 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, 2022.

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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, 2022, 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
2019	\$	3,428,315	\$ 1,122,774	\$ 4,551,089
2020		3,328,974	790,632	4,119,606
2021		3,330,569	491,259	3,821,828
2022		3,318,009	-	3,318,009
Total	\$	13,405,867	\$ 2,404,664	\$ 15,810,531

4 . Receivables

Receivables at the government-wide level at June 30, 2022, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due from other governments	Total
Governmental Activities:				
General Fund	\$ 1,887,249	\$ 984,520	\$ 3,480,526	\$ 6,352,295
Other Governmental Funds	26,015	-	-	26,015
Total Receivables	1,913,264	984,520	3,480,526	6,378,310
Allowance for Doubtful Accts.	-	(273,000)	-	(273,000)
Total Gov't Activities	\$ 1,913,264	\$ 711,520	\$ 3,480,526	\$ 6,105,310
Business-type Activities:				
Soild Waste Management	\$ 315,465	\$ -	\$ 36,326	\$ 351,791
Stormwater Fund	20,095	-	-	20,095
Total Receivables	335,560	-	36,326	371,886
Allowance for Doubtful Accts.	(58,088)	-	-	(58,088)
Total Business-type	\$ 277,472	\$ -	\$ 36,326	\$ 313,798

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

Local option sales tax	\$ 3,177,057
Franchise tax	15,551
Sales tax refund receivable	304,486
Scrap tire disposal tax	27,525
Solid waste tax distribution	8,801
Total	<u>\$ 3,533,420</u>

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Leases Receivable

On 07/01/2021, Granville County, NC entered into a 26 month lease as Lessor for the use of 2555 Hwy 96. An initial lease receivable was recorded in the amount of \$30,480. As of 06/30/2022, the value of the lease receivable is \$15,440. The lessee is required to make annual fixed payments of \$15,067. The lease has an interest rate of 0.5140%. The value of the deferred inflow of resources as of 06/30/2022 was \$16,431, and Granville County, NC recognized lease revenue of \$14,050 during the fiscal year. The lessee has 3 extension option(s), each for 60 months.

On 07/01/2021, Granville County, NC entered into a 38 month lease as Lessor for the use of 8362 Charlie Stovall Road. An initial lease receivable was recorded in the amount of \$1,316,444. As of 06/30/2022, the value of the lease receivable is \$975,274. The lessee is required to make monthly fixed payments of \$34,902. The lease has an interest rate of 0.7270%. The value of the deferred inflow of resources as of 06/30/2022 was \$907,540, and Granville County, NC recognized lease revenue of \$408,904 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

On 07/01/2021, Granville County, NC entered into a 41 month lease as Lessor for the use of Communication Site - 8362 Charlie Stovall road. An initial lease receivable was recorded in the amount of \$118,455. As of 06/30/2022, the value of the lease receivable is \$80,089. The lessee is required to make annual fixed payments of \$38,724. The lease has an interest rate of 0.7270%. The value of the deferred inflow of resources as of 06/30/2022 was \$83,785, and Granville County, NC recognized lease revenue of \$34,670 during the fiscal year. The lessee has 3 extension option(s), each for 60 months.

On 07/01/2021, Granville County, NC entered into a 411 month lease as Lessor for the use of Solar Energy Site. An initial lease receivable was recorded in the amount of \$1,408,112. As of 06/30/2022, the value of the lease receivable is \$1,366,625. The lessee is required to make annual fixed payments of \$52,500 through 2025, then payments of \$56,000 for 2026 through 2030, \$59,500 for 2031 through 2035, \$63,000 for 2036 through 2040, \$66,500 for 2041 through 2045, \$70,000 for 2046 through 2050, and \$73,500 for 2051 through 2055. The lease has an interest rate of 2.5830%. The value of the deferred inflow of resources as of 06/30/2022 was \$1,367,063, and Granville County, NC recognized lease revenue of \$41,050 during the fiscal year.

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 478,347	\$ 6,349	\$ 17,200	\$ 35,300
2024	480,401	2,851	17,644	34,856
2025	112,056	136	18,100	34,400
2026	-	-	22,068	33,932
2027-2031	-	-	122,689	160,811
2032-2036	-	-	157,801	143,199
2037-2041	-	-	197,690	120,810
2042-2046			243,002	92,998
2047-2051			294,478	59,022
2052-2056			275,953	18,047
Total	\$ 1,070,804	\$ 9,336	\$ 1,366,625	\$ 733,375

**GRANVILLE COUNTY, NORTH CAROLINA
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5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2022, was as follows:

<u>Governmental Activities:</u>	Beginning			Ending
	Balances	Increases	Retirements	Balances
Capital assets not being depreciated:				
Land	\$ 8,291,666	\$ -	\$ -	\$ 8,291,666
Construction in Progress	36,711,532	1,655,904	(36,924,264)	1,443,172
Total capital assets not being depreciated	<u>45,003,198</u>	<u>1,655,904</u>	<u>(36,924,264)</u>	<u>9,734,838</u>
Capital assets being depreciated:				
Buildings	24,249,983	34,997,396	-	59,247,379
Improvements other than building	17,836,543	2,103,429	-	19,939,972
Machinery and Equipment	7,297,355	581,179	-	7,878,534
Intangible assets	6,870,000	-	-	6,870,000
Total capital assets being depreciated:	<u>56,253,881</u>	<u>37,682,004</u>	<u>-</u>	<u>93,935,885</u>
Less accumulated depreciation for:				
Buildings	11,833,856	1,473,459	-	13,307,315
Improvements other than building	4,704,541	427,182	-	5,131,723
Machinery and Equipment	6,079,209	428,768	-	6,507,977
Intangible assets	1,030,500	171,750	-	1,202,250
Total accumulated depreciation:	<u>23,648,106</u>	<u>\$ 2,501,159</u>	<u>\$ -</u>	<u>26,149,265</u>
Total capital assets being depreciated, net	<u>32,605,775</u>			<u>67,786,620</u>
Governmental activity capital assets, net	<u>\$ 77,608,973</u>			<u>\$ 77,521,458</u>

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

General Government	\$ 367,702
Public Safety	1,419,276
Human Services	129,250
Community Services	408,629
Economic Development	176,302
Total Depreciation Expense	<u>\$ 2,501,159</u>

GRANVILLE COUNTY, NORTH CAROLINA
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Business-type activities:

	Beginning Balances	Increases	Retirements	Ending Balances
Capital assets not being depreciated:				
Land	\$ 1,020,695	\$ -	\$ -	\$ 1,020,695
Construction in progress	-	524,880	-	524,880
Total capital assets not being depreciated:	1,020,695	524,880	-	1,545,575
Capital assets being depreciated:				
Buildings	272,874	-	-	272,874
Improvements other than buildings	4,744,692	40,018	-	4,784,710
Fixtures & Equipment	149,072	-	-	149,072
Machinery and equipment	331,239	-	-	331,239
Total capital assets being depreciated :	5,497,877	40,018	-	5,537,895
Less accumulated depreciation for:				
Buildings	35,079	7,806	-	42,885
Improvements other than buildings	1,068,177	124,249	-	1,192,426
Fixtures & Equipments	48,825	7,842	-	56,667
Machinery and equipment	331,239	-	-	331,239
Total accumulated depreciation:	1,483,320	\$ 139,897	\$ -	1,623,217
Total capital assets being depreciated, net	4,014,557			3,914,678
Business-type activity capital assets, net	<u>\$ 5,035,252</u>			<u>\$ 5,460,253</u>

Depreciation expense is charged as follows

Landfill	\$ 119,268
Convenience sites	20,629
Total capital assets not being depreciated:	<u>\$ 139,897</u>

Activity for the ABC Board for the year ended June 30, 2022, 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	995,845	39,502	-	1,035,347
Furniture amd equipment	143,985	2,439	-	146,424
Vehicles	23,208	-	-	23,208
Computers & Software	31,025	854	-	31,879
Total capital assets being depreciated:	1,194,063	42,795	-	1,236,858
Less accumulated depreciation for:				
Buildings	144,784	24,490	-	169,274
Furniture amd equipment	80,941	17,618	-	98,559
Vehicles	23,208	-	-	23,208
Computers & Software	21,768	2,444	-	24,212
Total accumulated depreciation	270,701	\$ 44,552	\$ -	315,253
Total capital assets being depreciated, net	923,362			921,605
ABC Board capital assets net	<u>\$ 1,262,136</u>			<u>\$ 1,260,379</u>

**GRANVILLE COUNTY, NORTH CAROLINA
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Activity for Granville Health System for the year ended September 30, 2021, 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	-	-	-	-
Total capital assets not being depreciated:	1,790,207	-	-	1,790,207
Capital assets being depreciated:				
Buildings	34,788,161	127,438	(159,867)	34,755,732
Capitalized interest	619,714	-	-	619,714
Land Improvements	1,913,257	-	-	1,913,257
Equipment and fixtures	37,273,061	1,409,226	(510,786)	38,171,501
Total capital assets being depreciated:	74,594,193	1,536,664	(670,653)	75,460,204
Less accumulated depreciation for:				
Buildings	17,260,986	901,046	(159,939)	18,002,093
Land Improvements	1,344,426	69,110	-	1,413,536
Equipment and fixtures	26,356,739	2,038,884	(510,714)	27,884,909
Total accumulated depreciation	44,962,151	\$ 3,009,040	\$ (670,653)	47,300,538
Total capital assets being depreciated, net	29,632,042			28,159,666
Granville Health System capital assets net	\$ 31,422,249			\$ 29,949,873

Right to Use Leased Assets

The County has recorded two right to use leased assets. The assets are right to use assets for leased computer equipment and leased vehicles. The related leases are discussed in the Leases subsection of the Long-term obligations section of this note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the Primary Government for the year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Right to use assets				
Leased land	\$ -	\$ 14,266	\$ -	\$ 14,266
Leased buildings	-	1,876,677	-	1,876,677
Leased equipment	-	146,952	-	146,952
Leased easements	-	34,012	-	34,012
Total right to use assets	-	2,071,907	-	2,071,907
Less accumulated amortization for:				
Leased land	-	4,338	-	4,338
Leased buildings	-	332,980	-	332,980
Leased equipment	-	42,141	-	42,141
Leased easements	-	6,691	-	6,691
Total accumulated amortization	-	386,150	-	386,150
Right to use assets, net	\$ -	\$ 1,685,757	\$ -	\$ 1,685,757

**GRANVILLE COUNTY, NORTH CAROLINA
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B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2022, were as follows :

	Vendors	Accrued Salaries	Accrued Interest	Total
Governmental Activities:				
General Fund	\$ 1,342,117	\$ 800,688	\$ 623,705	\$ 2,766,510
Other Governmental Funds	657	-	-	657
County Health Plan Fund	363,388	-	-	363,388
Total Governmental Activities	\$ 1,706,162	\$ 800,688	\$ 623,705	\$ 3,130,555
Business-type Activities:				
Solid Waste Management	\$ 500,877	\$ 15,324	\$ -	\$ 516,201
Stormwater Fund	25,331	-	-	25,331
Total Business-type Activities	\$ 526,208	\$ 15,324	\$ -	\$ 541,532

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.

**GRANVILLE COUNTY, NORTH CAROLINA
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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, 2022, was 12.04% of compensation for law enforcement officers and 11.41% 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 11.35%. Contributions to the pension plan from the County were \$1,807,295 for the year ended June 30, 2022. Contributions to the pension plan from the Health System were approximately \$2,421,200 for the year ended September 30, 2021. Contributions to the pension plan from the ABC Board were \$41,870.

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

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

County

At June 30, 2022, the County reported a liability of \$2,900,643 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2022, the County's proportion was 0.189% (measured as of June 30, 2021), which was an increase of .007% from its proportion as of June 30, 2021 (measured as of June 30, 2020).

For the year ended June 30, 2022, the County recognized pension expense of \$1,425,391. At June 30, 2022, 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	\$ 922,799	\$ -
Changes in assumptions	1,822,345	-
Net difference between projected and actual earnings on pension plan investments	-	4,144,148
Changes in proportion and differences between County contributions and proportionate share of contributions	350,997	-
County contributions subsequent to the measurement date	1,807,295	-
Total	\$ 4,903,436	\$ 4,144,148

\$1,807,295 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2023	\$ 419,529
2024	48,014
2025	(247,416)
2026	(1,268,134)
	\$ (1,048,007)

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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Health System

At September 30, 2021, the System reported a liability of approximately \$5,063,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2021, the System's proportion was 0.33014%, which was an increase of 0.02274% from its proportion measured as of September 30, 2020.

For the year ended September 30, 2021, the System recognized pension expense of approximately \$2,212,000. At September 30, 2021, 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	\$ 1,610,727	\$ -
Changes in assumptions	3,180,866	-
Net difference between projected and actual earnings on pension plan investments	-	7,233,526
Changes in proportion and differences between County contributions and proportionate share of contributions	304,924	120,545
System contributions subsequent to the measurement date	707,673	-
Total	\$ 5,804,190	\$ 7,354,071

\$707,673 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, 2022. Other amounts reported as deferred inflows related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2022	\$ 492,040
2023	(89,055)
2024	(447,038)
2025	(2,213,501)
	\$ (2,257,554)

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary Increases	3.25% to 8.25%, which includes a 3.25% inflation and productivity factor
Investment Rate of Return	6.5 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, 2020 valuations were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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

**GRANVILLE COUNTY, NORTH CAROLINA
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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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	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 2.50%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.50%. 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 6.50 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 (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
County's proportionate share of the net pension liability (asset)	\$ 11,260,056	\$ 2,900,643	\$ (3,978,668)
System's proportionate share of the net pension liability (asset)	\$ 19,654,198	\$ 5,063,014	\$ (6,944,683)
ABC Board's proportionate share of the net pension liability (asset)	\$ 194,673	\$ 50,149	\$ (68,786)

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.

**GRANVILLE COUNTY, NORTH CAROLINA
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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.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2020, the Separation Allowance's membership consisted of:

Retirees receiving benefits	7
Terminated plan members entitled to but not yet receiving benefits.	-
Active plan members	63
Total	70

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, 2020 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	2.50 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 \$94,516 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, 2022, the County reported a total pension liability of \$2,973,895. The total pension liability was measured as of December 31, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was rolled forward to the measurement date of June 30, 2021, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the County recognized pension expense of \$332,090.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 204,500	\$ 12,583
Changes of assumptions	535,331	91,873
County benefit payments and plan administrative expense made subsequent to the measurement date	55,368	-
Total	\$ 795,199	\$ 104,456

The County paid \$55,368 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2023	\$	183,416
2024		161,746
2025		170,450
2026		107,357
2027		12,406

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 2.25 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 (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
County's proportionate share of the net pension liability (asset)	\$ 3,239,407	\$ 2,973,895	\$ 2,732,242

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

	2022
Beginning balance	\$ 2,782,212
Service Cost	151,298
Interest on the total pension liability	52,785
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	164,408
Changes of assumptions or other inputs	(82,292)
Benefit payments	(94,516)
Other changes	-
Ending balance of the total pension liability	\$ 2,973,895

**GRANVILLE COUNTY, NORTH CAROLINA
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Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 1.93 percent at June 30, 2020 (measurement date) to 2.25 percent at June 30, 2021 (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, 2020 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 Annual Comprehensive Financial Report 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, 2022, were \$220,168, which consisted of \$165,207 from the County and \$54,961 from the law enforcement officers.

d. Registers of Deeds' Supplemental Pension Fund

Plan Description. Granville County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, cost-sharing, multiple-employer, defined benefit pension plan administered by the North Carolina Department of State Treasurer. ROSPF 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

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 \$5,243 for the year ended June 30, 2022.

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

At June 30, 2022, the County reported an asset of \$87,778 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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 employees. At June 30, 2021, the County's proportion was .4569%, which was a decrease of .0067% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the County recognized pension expense of \$5,259. At June 30, 2022, 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	\$ 937	\$ 1,065
Changes of assumptions	6,401	-
Net difference between projected and actual earnings on pension plan investments	-	270
Changes in proportion and differences between County contributions and proportionate share of contributions	4,280	3,879
County contributions subsequent to the measurement date	5,243	-
Total	<u>\$ 16,861</u>	<u>\$ 5,214</u>

\$5,243 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2023	\$ 2,431
2024	2,132
2025	(206)
2026	2,047
	<u>\$ 6,404</u>

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	3.25% - 8.25%
Investment Rate of Return	3.00%, 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, 2020 valuations were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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

**GRANVILLE COUNTY, NORTH CAROLINA
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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, 2022 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 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 2.50%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.00%. 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 3.00 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 (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	\$ (69,723)	\$ 87,778	\$ (102,951)

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, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2020. The total pension liability for LEOSSA was measured as of June 30, 2021, with an actuarial valuation date of December 31, 2020. 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)	\$ 2,900,643	\$ (87,778)	\$ -	\$ 2,812,865
Proportionate of the Net Pension Liability (Asset)	0.189%	0.457%	n/a	n/a
Total Pension Liability	\$ -	\$ -	\$ 2,973,895	\$ 2,973,895
Pension Expense	\$ 1,425,391	\$ 5,259	\$ 332,090	\$ 1,762,740

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At June 30, 2022, 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	\$ 922,799	\$ 937	\$ 204,500	\$ 1,128,236
Changes of assumptions	1,822,345	6,401	535,331	2,364,077
Net difference between projected and actual earnings on pension plan investment	-	-	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	350,997	4,280	-	355,277
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,807,295	5,243	55,368	1,867,906
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ -	\$ 1,065	\$ 12,583	\$ 13,648
Changes of assumptions	-	-	91,873	91,873
Net difference between projected and actual earnings on pension plan investment	4,144,148	270	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	3,879	-	3,879

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, 2022 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, 2022, 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.

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For the current year, the County contributed \$355,464.

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

The County's total OPEB liability of \$22,358,511 was measured as of June 30, 2021 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	0.75 percent
Wage inflation	3.25 percent
Salary increase, including wage inflation	
General Employees	3.25 to 8.41 percent
Law Enforcement Officers	3.25 to 7.90 percent
Discount rate	2.16 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

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, 2015 through December 31, 2019, adopted by the LGERS Board.

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 (1.16 percent) and 1-percentage-point higher (3.16 percent) than the current discount rate:

	1% Decrease (1.16 percent)	Discount Rate (2.16 Percent)	1% Increase (3.16 percent)
Total OPEB liability (asset)	\$ 28,260,829	\$ 23,358,511	\$ 19,589,945

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)	\$ 19,201,084	\$ 23,358,511	\$ 28,848,382

**GRANVILLE COUNTY, NORTH CAROLINA
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Changes in Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2022, the County reported a total OPEB liability of \$23,358,511. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2022, the components of the total OPEB liability of the County, measured as of June 30, 2021, were as follows:

	Total OPEB Liability
Balances at June 30, 2021	\$ 22,317,579
Changes for the Year:	
Service Cost	527,048
Interest	500,960
Differences between Expected and Actual experience	(160,221)
Changes of assumptions or other inputs	528,609
Benefit payments	(355,464)
Net Changes	1,040,932
Balances at June 30, 2022	\$ 23,358,511

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 2.21 percent to 2.16 percent.

For the year ended June 30, 2022, the County recognized OPEB expense of \$1,400,045. At June 30, 2022, 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	\$ -	\$ 1,153,965
Changes of assumptions	3,536,299	889,347
Net difference between projected and actual earnings on plan investments	-	-
Benefit payments and administrative costs made subsequent to the measurement date	576,380	-
Total	\$ 4,112,679	\$ 2,043,312

\$576,380 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, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30		
2023	\$	220,463
2024		268,330
2025		816,505
2026		187,689
2027		-
Thereafter		-

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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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 8 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 MSW landfill on May 1, 2013 at the Oxford site, which is expected to have a 70-100-year capacity. It is currently at 20% of total capacity. The \$9,084,509 reported as landfill closure and postclosure care liability at June 30, 2022, represents the latest estimate for the remaining years of post closure maintenance and monitoring required for the two closed landfills (Butner and Oxford) and the open site in Oxford.

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

4 Deferred Outflows and Inflows of Resources

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

	<u>Deferred Outflows of Resources</u>
Charge on refunding of debt	\$ 527,921
Difference between expected and actual experience	
LGERS	922,799
Register of Deeds	937
LEOSSA	204,500
Changes of assumptions	
LGERS	1,822,345
Register of Deeds	6,401
LEOSSA	535,331
OPEB	3,536,298
Pensions - difference between projected and actual investment	
LGERS	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	
LGERS	350,997
Register of Deeds	4,280
Contributions, benefits and admin costs paid subsequent to measurement date	
LGERS	1,807,295
Register of Deeds	5,243
LEOSSA	55,368
Benefit payments for the OPEB plan paid subsequent to measurement date	576,380
Total	<u>\$ 10,356,095</u>

**GRANVILLE COUNTY, NORTH CAROLINA
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Deferred inflows of resources at year-end is comprised of the following:

	Statement of Net Position	Governmental Funds Balance Sheet
Difference between expected and actual experience		
Register of Deeds	\$ 1,065	\$ -
LEOSSA	12,583	-
OPEB	1,153,965	-
Changes of assumptions		
LEOSSA	91,873	-
OPEB	889,347	-
Pensions - difference between projected and actual investment		
LGERS	4,144,148	
Register of Deeds	270	-
Pensions - change in proportion and difference between employer		
Register of Deeds	3,879	-
Leases (General)	2,374,819	2,374,819
Prepaid taxes not yet earned (General Fund)	73,364	73,364
Taxes receivable, net (General)	-	642,776
	\$ 8,745,313	\$ 3,090,959

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 tax collector are is individually bonded for \$250,000 each. Due to USDA financing requirements, the Finance Director is bonded for \$900,000. 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, 2021. 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.

**GRANVILLE COUNTY, NORTH CAROLINA
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6 Contingent Liabilities

At June 30, 2022, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

7 Long-Term Obligations

a. **Financing 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%. This loan was paid off in 2022.

	\$ -
Total	\$ -

b. **Lease Liabilities**

The County has entered into agreements to lease certain equipment and property. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

On 07/01/2021, Granville County, NC entered into a 120 month lease as Lessee for the use of 104 Belle Street. An initial lease liability was recorded in the amount of \$454,387. As of 06/30/2022, the value of the lease liability is \$415,781. Granville County, NC is required to make monthly fixed payments of \$3,750. The lease has an interest rate of 1.6040%. The value of the right to use asset as of 06/30/2022 of \$408,949 with accumulated amortization of \$45,439 is included with Buildings on the Lease Class activities table found below.

On 07/01/2021, Granville County, NC entered into a 61 month lease as Lessee for the use of Water Rights. An initial lease liability was recorded in the amount of \$34,012. As of 06/30/2022, the value of the lease liability is \$28,609. Granville County, NC is required to make annual fixed payments of \$5,402. The lease has an interest rate of 1.0590%. The value of the right to use asset as of 06/30/2022 of \$27,321 with accumulated amortization of \$6,691 is included with Easements on the Lease Class activities table found below.

On 07/01/2021, Granville County, NC entered into a 36 month lease as Lessee for the use of Health Department Office. An initial lease liability was recorded in the amount of \$622,480. As of 06/30/2022, the value of the lease liability is \$416,241. Granville County, NC is required to make monthly fixed payments of \$17,475. The lease has an interest rate of 0.7270%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$622,480 with accumulated amortization of \$207,493 is included with Buildings on the Lease Class activities table found below. Granville County, NC has 3 extension option(s), each for 12 months.

On 07/01/2021, Granville County, NC entered into a 119 month lease as Lessee for the use of 2531 E. Lyon Station Road. An initial lease liability was recorded in the amount of \$799,810. As of 06/30/2022, the value of the lease liability is \$729,446. Granville County, NC is required to make monthly fixed payments of \$6,800. The lease has an interest rate of 1.6040%. The value of the right to use asset as of 06/30/2022 of \$719,762 with accumulated amortization of \$80,048 is included with Buildings on the Lease Class activities table found below. Granville County, NC has 2 extension option(s), each for 60 months.

On 07/01/2021, Granville County, NC entered into a 39 month lease as Lessee for the use of U.S. Hwy 15 N. An initial lease liability was recorded in the amount of \$14,266. As of 06/30/2022, the value of the lease liability is \$9,496. Granville County, NC is required to make annual fixed payments of \$4,800. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2022 of \$9,929 with accumulated amortization of \$4,338 is included with Land on the Lease Class activities table found below. Granville County, NC has 1 extension option(s), each for 120 months.

On 07/01/2021, Granville County, NC entered into a 35 month lease as Lessee for the use of Xerox Copier - Savin IM C6500. An initial lease liability was recorded in the amount of \$17,140. As of 06/30/2022, the value of the lease liability is \$11,303. Granville County, NC is required to make monthly fixed payments of \$495. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2022 of \$11,394 with accumulated amortization of \$5,745 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Granville County, NC entered into a 42 month lease as Lessee for the use of Xerox Copiers - Savin. An initial lease liability was recorded in the amount of \$129,812. As of 06/30/2022, the value of the lease liability is \$93,122. Granville County, NC is required to make monthly fixed payments of \$3,140. The lease has an interest rate of 0.8930%. The value of the right to use asset as of 06/30/2022 of \$93,416 with accumulated amortization of \$36,396 is included with Equipment on the Lease Class activities table found below.

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Amount of Lease Assets by Major Classes of Underlying Asset

	<u>Asset Value</u>	<u>Accumulated Amortization</u>
Land	\$ 14,266	\$ 4,338
Buildings	1,876,677	332,980
Equipment	146,952	42,141
Easements	34,012	6,691
	<u>\$ 2,071,907</u>	<u>\$ 386,150</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 364,403	\$ 20,927	\$ 5,767	\$ 88
2024	371,224	17,191	5,811	44
2025	141,935	14,131	526	1
2026	129,290	12,092	-	-
2027-2031	685,042	28,481	-	-
Total	<u>\$ 1,691,894</u>	<u>\$ 92,822</u>	<u>\$ 12,104</u>	<u>\$ 133</u>

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 \$41,000 as of September 30, 2021.

Total rental expense charged to operations amounted to approximately \$596,685 for the year ended September 30, 2021. Approximate future minimum rentals for the year ending September 30 are as follows:

2022	\$ 597,370
2023	598,055
2024	598,740
2025	599,425
2026	600,110
Total	<u>\$ 2,993,700</u>

**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, 2022, 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.	\$	-
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%.		3,838,000
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%.		782,327
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.		7,565,402
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.		4,202,979
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%.		6,481,000
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%.		4,640,000
Total	\$	<u>27,509,708</u>

For Granville County, the future minimum payments as of June 30, 2022, including \$9,841,011 of interest are:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2022	\$ 1,804,152	\$ 991,207
2023	1,821,862	931,556
2024	1,842,318	871,167
2025	1,862,550	809,990
2026	1,883,592	748,002
2027-2031	6,434,649	2,948,897
2032-2036	6,212,206	1,776,487
2037-2041	4,037,110	692,577
2042-2046	1,611,269	71,128
Total	\$ 27,509,708	\$ 9,841,011

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

d. Certificates of Participation

\$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
2023	\$ -	\$ 263,358
2024	-	263,358
2025	-	263,358
2026	5,215,000	131,679
2027	-	-
Total	\$ 5,215,000	\$ 921,753

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

<p>\$16,095,000 Refunding Bonds 2013 due on June 1 and December 1; interest at 2.5-4.0%</p>	\$ 5,225,000
<p>\$5,485,000 Refunding Bonds 2015 due on May 1 and November 1; interest at 2.27%</p>	2,369,000
<p>\$5,044,000 Refunding Bonds 2017 due on June 1 and December 1; interest at 2.39%</p>	3,415,000
<p>\$34,665,000 Limited Obligation 2018 due on April 1 and October 1; interest at 3.75-5%</p>	29,305,000
<p>\$6,060,000 Limited Obligation, Series 2021 due on March 1 and September 1; interest at 1.32%</p>	5,507,000
Total	\$ 45,821,000

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

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
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	3,116,000	1,027,839
2028-2032	12,748,000	3,381,720
2033-2037	6,950,000	1,390,000
2038-2042	2,780,000	104,250
Total	\$ 45,821,000	\$ 11,715,896

At June 30, 2022, Granville County had a legal debt margin of \$336,343,208.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

The System's notes payable at September 30, 2021, 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	\$ 65,607
Note payable monthly at 3.73% interest; principal and interest payable semi-annually of \$79,324 through July 2027; collateralized by real estate	845,875
Note payable at 4.22%, principal due annually of \$290,000 plus interest through May 2038; collateralized by building and guaranteed by County	4,930,000
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	12,013,516
Note payable monthly at 4.38% interest, principal and interest monthly of \$5,965 through September 2023	<u>138,862</u>
Total	<u><u>\$ 17,993,860</u></u>

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

Year Ending Sept 30	Amount
2022	\$ 877,211
2023	829,818
2024	790,226
2025	792,800
2026	824,101
Thereafter	<u>13,879,704</u>
Total	<u><u>\$ 17,993,860</u></u>

f. Refunding & Advance Refundings

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

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

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

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

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2022:

	Beginning Balance			Ending Balance June 30, 2022	Current Portion of Balance
	July 1, 2021	Increases	Decreases		
Governmental Activities:					
General obligation bonds	\$ 51,737,000	\$ -	\$ 5,916,000	\$ 45,821,000	\$ 5,802,000
Plus: Premiums on issuance	4,382,632	-	298,679	4,083,953	298,679
Total General Obligation Bonds	56,119,632	-	6,214,679	49,904,953	6,100,679
Financing Agreements	815,297	-	815,297	-	-
Direct Placement Installment Purchases	29,393,310	-	1,883,612	27,509,698	1,804,152
Certificates of participation	5,215,000	-	-	5,215,000	-
Lease liabilities	-	2,054,006	362,113	1,691,893	364,403
Compensated Absences	1,395,503	1,125,934	943,565	1,577,872	394,468
Net pension liability (LGRS)	6,410,219	-	3,552,810	2,857,409	-
Total OPEB Liability	22,022,987	1,027,192	-	23,050,179	-
Total pension liability (LEOSSA)	2,782,212	191,683	-	2,973,895	-
Total governmental activities	\$ 124,154,160	\$ 4,398,815	\$ 13,772,076	\$ 114,780,899	\$ 8,663,702
Business-type Activities:					
Lease liabilities	\$ -	\$ 17,901	\$ 5,797	\$ 12,104	\$ 5,767
Accrued landfill closure and post-closure costs	8,778,733	253,356	-	9,032,089	-
Compensated absences	31,435	18,243	22,523	27,155	6,789
Net pension liability (LGRS)	96,990	-	53,756	43,234	-
Total OPEB liability	294,592	13,740	-	308,332	-
Total Business-type activities	\$ 9,201,750	\$ 285,339	\$ 76,279	\$ 9,410,810	\$ 6,789

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.

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

	Beginning Balance			Ending Balance Sept 30, 2021	Current Portion of Balance
	Sept 30, 2020	Increases	Decreases		
Governmental Activities:					
Installment Purchases	\$ 18,918,031	\$ -	\$ 924,171	\$ 17,993,860	\$ 877,211
Compensated absences	2,102,862	-	25,444	2,077,418	-
Net pension liability (LGRS)	10,984,712	(5,921,698)	-	5,063,014	-
Total governmental activities	\$ 32,005,605	\$ (5,921,698)	\$ 949,615	\$ 25,134,292	\$ 877,211

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2022 consist of the following:

From Law Enforcement Center Project Fund to the General Fund to return excess funding back to the General Fund.	\$ 2,318,547
Total	\$ 2,318,547

Balances due to/from other funds as of June 30, 2022, consist of the following:

From Coronavirus Relief Fund to General Fund for expenditures covered by the General Fund.	\$ 400
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
	\$ 713,535

D. Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2022 is composed of the following elements:

	Governmental Activities	Business-Type Activities
Capital assets (Net of depreciation)	\$ 77,521,458	\$ 5,460,253
Right to use leased assets (net of amortization)	1,673,213	12,544
Capital debt calculation:		
Total debt, gross	84,321,544	12,104
Less:		
School debt for assets to which the county does not hold title	(33,605,105)	-
System debt for assets which the county does not hold title	(17,190,708)	-
Unamortized assets related to capital debt (excluding school related)	(119,056)	-
Add:		
Unamortized liabilities related to capital debt (excluding school related)	2,667,911	-
Total capital debt	36,074,586	12,104
Net investment in capital assets	\$ 43,120,085	\$ 5,460,693

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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	\$ 50,668,464
Less:	
Prepaid Assets	6,200
Leases	63,047
Stabilization by State Statute	6,081,310
Appropriated fund balance in 2023 budget	3,466,276
Education	3,934,098
Register of Deeds	112,665
Tax Revaluation	318,208
Public Safety	2,115,870
Human Services	3,564,676
Economic and Physical Development	1,600,000
Community Service	2,200,000
Working Capital / Fund Balance Policy	22,439,714
Remaining Fund Balance	\$ 4,766,400

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.

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 \$28,740 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2022. 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, 2022. 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.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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 Vaya 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. Financial statements can be requested at 1032 College Street, Oxford, NC 27565.

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, 2022. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$37,461 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, 2022. 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.

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, 2022. 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, 2022 and January 23, 2023, 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.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE IX: Prior Period Adjustments

Prior period adjustments were made to the General Fund that increased fund balance by \$809,409. These adjustments were to record the June 2021 local option sales tax receivable, which increased fund balance by \$1,004,593; to record the June 2021 franchise tax distribution receivable, which increased fund balance by \$15,604; to correct prior year balances in accounts receivable which decreased fund balance by \$170,526; to correct Department of Justice balances, which decreased fund balance by \$12,762; to adjust for unallowable PSAP expenditures from prior years, which increased fund balance by \$25,000; and to transfer leave revenue that was recorded in the General fund in previous years that should have been recorded in the solid waste fund, which decreased fund balance by \$52,500. Prior period adjustments were made to the Solid Waste Fund to adjust prior year postclosure balances, which decreased net position by \$2,093,269, and to transfer revenue from the general fund that should have been recorded in the solid waste fund in prior years, which increased net position by \$52,500.

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 (LGERS)
- 2 ~ Schedule of County Contributions (LGERS)
- 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 Nine Fiscal Years*

Exhibit A-1

Local Government Employees' Retirement System					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's proportion of the net pension liability (asset) (%)	0.189%	0.182%	0.179%	0.177%	0.180%
County's proportion of the net pension liability (asset) (\$)	\$ 2,900,643	\$ 6,507,209	\$ 4,884,254	\$ 4,203,316	\$ 2,745,928
County's covered payroll	\$ 14,665,956	\$ 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	19.78%	47.29%	36.28%	33.37%	22.81%
Plan fiduciary net position as a percentage of the total pension liability**	95.51%	88.61%	90.86%	92.00%	94.18%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
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 Nine Fiscal Years

Local Government Employees' Retirement System					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 1,807,295	\$ 1,518,988	\$ 1,260,879	\$ 1,064,421	\$ 971,019
Contributions in relation to the contractually required contribution	1,807,295	1,518,988	1,260,879	1,064,421	971,019
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 15,657,137	\$ 14,665,956	\$ 13,758,827	\$ 13,461,599	\$ 12,597,654
Contributions as a percentage of covered payroll	11.54%	10.36%	9.16%	7.91%	7.71%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
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 2023.

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

	2022	2021	2020	2019	2018
County's proportionate share of the net pension (asset) liability (%)	0.457%	0.464%	0.402%	0.472%	0.481%
County's proportionate share of the net pension (asset) liability (\$)	\$ (87,778)	\$ (106,230)	\$ (79,410)	\$ (78,151)	\$ (82,034)
Plan fiduciary net position as a percentage of the total pension liability **	156.53%	173.62%	164.11%	153.31%	153.77%
	2017	2016	2015	2014	
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 Nine Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's required contribution	\$ 5,243	\$ 5,483	\$ 4,438	\$ 3,823	\$ 4,038
Contributions in relation to contractually required contribution	<u>5,243</u>	<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>\$ -</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 Six Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Beginning Balance	\$ 2,782,212	\$ 1,920,442	\$ 1,648,569
Service Cost	151,298	85,321	82,772
Interest on the total pension liability	52,785	62,006	59,184
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	164,408	1,338	114,213
Changes of assumptions or other inputs	(82,292)	749,917	60,972
Benefit payments	(94,516)	(36,812)	(45,268)
Other changes	-	-	-
Ending balance of the total pension liability	<u>\$ 2,973,895</u>	<u>\$ 2,782,212</u>	<u>\$ 1,920,442</u>
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning Balance	\$ 1,669,988	\$ 1,401,767	\$ 1,350,911
Service Cost	77,889	69,248	69,009
Interest on the total pension liability	52,109	53,451	47,690
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(41,507)	69,585	-
Changes of assumptions or other inputs	(67,976)	109,989	(35,732)
Benefit payments	(41,934)	(34,052)	(30,111)
Other changes	-	-	-
Ending balance of the total pension liability	<u>\$ 1,648,569</u>	<u>\$ 1,669,988</u>	<u>\$ 1,401,767</u>

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

* Information 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 Six Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability	\$ 2,973,895	\$ 2,782,212	\$ 1,920,442
Covered payroll	3,283,084	2,949,327	2,983,525
Total pension liability as a percentage of covered payroll	90.58%	94.33%	64.37%
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 1,648,569	\$ 1,669,988	\$ 1,401,767
Covered payroll	2,587,136	2,602,357	2,539,432
Total pension liability as a	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.

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

Exhibit A-7

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 527,048	\$ 475,354	\$ 420,482	\$ 531,757	\$ 613,574
Interest on the total pension liability	500,960	649,212	631,730	634,212	571,146
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(160,221)	(748,217)	(66,409)	(1,432,377)	(81,566)
Changes of assumptions or other inputs	528,609	4,084,729	1,209,558	(1,005,173)	(1,964,694)
Benefit payments	<u>(355,464)</u>	<u>(430,404)</u>	<u>(293,825)</u>	<u>(313,276)</u>	<u>(284,256)</u>
Net change in total OPEB liability	1,040,932	4,030,674	1,901,536	(1,584,857)	(1,145,796)
Total OPEB liability - beginning	<u>22,317,579</u>	<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>\$23,358,511</u>	<u>\$ 22,317,579</u>	<u>\$ 18,286,905</u>	<u>\$ 16,385,369</u>	<u>\$ 17,970,226</u>
Covered payroll	\$ 7,261,801	\$ 7,261,801	\$ 9,186,294	\$ 9,186,294	\$ 9,248,413
Total OPEB liability as a percentage of covered payroll	321.66%	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	2.16%	2.21%	3.50%	3.89%	3.56%
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* Plan measurement date is the reporting date. Employer measurement date is one year prior to reporting date.

Combining and Individual Fund
Statements and Schedules

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, 2022

Exhibit B-1

	2022		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Ad valorem Taxes			
Current year	\$ 42,949,772	\$ 43,265,770	\$ 315,998
Prior Year	450,000	575,530	125,530
Penalties and interest	193,000	217,304	24,304
Total	<u>43,592,772</u>	<u>44,058,604</u>	<u>465,832</u>
Sales and Other Taxes			
Article 39 one percent		2,659,213	
Article 40 one-half of one percent		4,780,344	
Article 42 one-half of one percent		2,488,298	
Article 44 one-half of one percent		1,654,901	
State excise tax - Register of Deeds		504,729	
Beer and wine		150,851	
Taxes on federal exempt land		25,789	
Medicaid hold harmless		3,656,795	
Occupancy taxes		288,612	
Total	<u>13,525,000</u>	<u>16,209,532</u>	<u>2,684,532</u>
Licenses, Fees and Other Revenues			
Privilege licenses		3,028	
Taxes on Oxford Housing Authority		6,647	
Planning		80,445	
Inspection		505,368	
Boarding state and federal prisoners		176,838	
Ambulance fees		8,541	
Library fees		16,432	
Rents		24,625	
Sheriff's fees		88,648	
Election fees		7,333	
Franchise fees		114,793	
Animal control		27,059	
Collection fees		137,839	
Senior Center fitness fees		4,234	
Register of Deeds		312,007	
GAP fees		33,375	
Federal interest subsidy		249,052	
E-911 allocation from Oxford		140,098	
Book Sales		16,467	
Miscellaneous		496,273	
Sale of capital assets		4,316	
Total	<u>2,184,584</u>	<u>2,453,418</u>	<u>268,834</u>

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Granville County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

Exhibit B-1
continued

	2022		Variance Positive (Negative)
	Budget	Actual	
Restricted Intergovernmental			
Debt Contribution from hospital		1,558,648	
Court facility fees		60,690	
CSC officer's fees		13,033	
Register of Deeds		47,554	
ABC bottle tax		33,980	
Federal and State grants		8,628,570	
Excise recreation - Heritage		465,903	
Jail fees		37,310	
Sheriff Federal treasury seized funds		226,994	
Sheriff wage refund		386,139	
Building Reuse Grant		-	
Miscellaneous		132,390	
Total	11,938,606	11,591,211	(347,395)
Investment earnings	25,000	55,895	30,895
Miscellaneous			
Granville County ABC Board	140,000	223,403	83,403
Total	140,000	223,403	83,403
Total Revenues	71,405,962	74,592,063	3,186,101

Expenditures

General Government:

Board of Commissioners

Salaries and employee benefits		150,695	
Other operating expenditures		113,138	
Capital outlay		155,852	
Total	319,093	419,685	(100,592)

Administration

Salaries and employee benefits		556,290	
Other operating expenditures		56,273	
Capital outlay		176,629	
Total	620,186	789,192	(169,006)

continued

Granville County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

Exhibit B-1
continued

	2022		Variance Positive (Negative)
	Budget	Actual	
Information Technology			
Salaries and employee benefits		337,594	
Other operating expenditures		511,047	
Capital outlay		4,499	
Total	852,254	853,140	(886)
Board of Elections			
Salaries and employee benefits		342,506	
Other operating expenditures		186,579	
Capital outlay		15,058	
Total	636,967	544,143	92,824
Finance Department			
Salaries and employee benefits		357,190	
Other operating expenditures		116,761	
Capital outlay		2,466	
Total	523,300	476,417	46,883
Tax Administration			
Salaries and employee benefits		576,075	
Other operating expenditures		349,512	
Capital outlay		15,086	
Total	1,017,728	940,673	77,055
Register of Deeds			
Salaries and employee benefits		312,476	
Other operating expenditures		67,303	
Capital outlay		7,529	
Total	388,698	387,308	1,390
General Services/Court Facilities			
Salaries and employee benefits		307,103	
Other operating expenditures		247,789	
Capital outlay		9,891	
Total	685,865	564,783	121,082
Human Resources			
Salaries and employee benefits		157,226	
Other operating expenditures		71,817	
Capital outlay		162,333	
Total	234,275	391,376	(157,101)

continued

Granville County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

Exhibit B-1
continued

	2022		Variance Positive (Negative)
	Budget	Actual	
Internal Auditor			
Salaries and employee benefits		96,243	
Other operating expenditures		1,730	
Capital outlay		-	
Total	100,833	97,973	2,860
<u>Total General Government</u>	5,379,199	5,464,690	(85,491)
<u>Public safety:</u>			
Other Emergency Services	70,000	59,000	11,000
Sheriff's Department/Detention Center			
Salaries and employee benefits		7,486,675	
Other operating expenditures		2,623,564	
Capital outlay		351,554	
Total	11,157,492	10,461,793	695,699
Fire Service	2,397,128	2,388,650	8,478
DOJ Funds			
Forfeitures		32,661	
Capital Outlay		13,485	
Total	485,000	46,146	438,854
Forestry			
Salaries and employee benefits		39,722	
Other operating expenditures		65,424	
Capital Outlay		2,466	
Total	113,558	107,612	5,946
Emergency Management			
Salaries and employee benefits		285,493	
Other operating expenditures		93,103	
Capital outlay		5,706	
Total	497,936	384,302	113,634
Emergency Services			
Salaries and employee benefits		1,894,089	
Other operating expenditures		362,285	
Capital outlay		7,347	
Total	3,310,640	2,263,721	1,046,919
<u>Total Public Safety</u>	18,031,754	15,711,224	2,320,530

continued

Granville County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

Exhibit B-1
continued

	2022		Variance Positive (Negative)
	Budget	Actual	
<u>Community Services:</u>			
Cooperative Extension Service			
Salaries and employee benefits		289,096	
Other operating expenditures		83,924	
Capital outlay		6,475	
Total	440,283	379,495	60,788
County Library System			
Salaries and employee benefits		980,332	
Other operating expenditures		312,571	
Capital outlay		46,462	
Total	1,339,569	1,339,365	204
Recreation & Community Service			
Other operating expenditures		72,379	
Total	122,879	72,379	50,500
Development Services			
Planning			
Salaries and employee benefits		384,616	
Other operating expenditures		18,952	
Capital outlay		8,464	
Inspection Department			
Salaries and employee benefits		716,731	
Other operating expenditures		54,558	
Capital outlay		25,574	
Construction Administration			
Other operating expenditures		93	
Capital outlay		1,723,166	
Total	4,071,241	2,932,154	1,139,087
Soil Conservation Program			
Salaries and employee benefits		86,328	
Other operating expenditures		2,080	
Total	88,140	88,408	(268)
Jonesland Park Operations			
Salaries and employee benefits		321,858	
Other operating expenditures		175,591	
Capital outlay		63,008	
Total	535,809	560,457	(24,648)

continued

Granville County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

Exhibit B-1
continued

	2022		Variance Positive (Negative)
	Budget	Actual	
Economic Development			
Salaries and employee benefits		190,547	
Other operating expenditures		97,409	
Capital outlay		3,864	
Total	421,161	291,820	129,341
Tourism			
Salaries and employee benefits		77,636	
Total	77,508	77,636	(128)
<u>Total Community Service</u>	<u>7,096,590</u>	<u>5,741,714</u>	<u>1,354,876</u>
<u>Human Services:</u>			
Health and Medical Services			
Granville Medical Center		1,178,969	
Granville-Vance District Health Dept.		1,642,579	
Area Mental Health		136,128	
Total	2,392,974	2,957,676	(564,702)
Social Services			
Salaries and employee benefits		5,817,057	
Other operating expenditures		1,958,226	
Capital outlay		922,698	
Total	8,805,547	8,697,981	107,566
Veterans Services			
Salaries and employee benefits		75,423	
Other operating expenditures		4,016	
Capital outlay		898	
Total	120,029	80,337	39,692
Senior Services-Nutrition/In-Home Aid			
Salaries and employee benefits		718,367	
Other operating expenditures		726,909	
Capital outlay		47,847	
Total	1,577,466	1,493,123	84,343
<u>Total Human Services</u>	<u>12,896,016</u>	<u>13,229,117</u>	<u>(333,101)</u>

continued

Granville County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
<u>Education:</u>			
Granville County School System			
Current Expense	17,132,494	17,132,494	-
Capital	2,071,895	1,571,895	500,000
21st Century School Grant	140,131	111,842	28,289
Total	<u>19,344,520</u>	<u>18,816,231</u>	<u>528,289</u>
Vance-Granville Community College			
Operating expenditures		755,778	
Capital Outlay		28,740	
Total	<u>784,518</u>	<u>784,518</u>	<u>-</u>
<u>Total Education</u>	<u>20,129,038</u>	<u>19,600,749</u>	<u>528,289</u>
<u>Non-Departmental & Special Areas</u>			
Special Projects	291,374	262,511	28,863
Pass Thru Funds	839,227	852,846	(13,619)
Non-Departmental	2,691,612	1,734,520	957,092
Granville County Tourism Development	270,000	288,384	(18,384)
Contingency	10,000	-	10,000
Total Non-Departmental & Special Areas	<u>4,102,213</u>	<u>3,138,261</u>	<u>963,952</u>
<u>Debt Service</u>			
Hospital Financing			
Principal		838,513	
Interest		720,136	
Total	<u>1,559,389</u>	<u>1,558,649</u>	<u>740</u>
Park Financing			
Principal		19,872	
Interest		2,782	
Total	<u>22,654</u>	<u>22,654</u>	<u>-</u>
Water & Sewer Allocation-Triangle North			
Principal		1,454,297	
Interest		102,645	
Total	<u>1,556,785</u>	<u>1,556,942</u>	<u>(157)</u>

continued

Granville County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

Exhibit B-1
continued

	2022		Variance Positive (Negative)
	Budget	Actual	
Schools Debt Service			
Principal		4,482,128	
Interest		1,241,333	
Total	<u>6,071,128</u>	<u>5,723,461</u>	<u>347,667</u>
Library Series 2009			
Principal		430,000	
Interest		78,292	
Total	<u>508,292</u>	<u>508,292</u>	<u>-</u>
Law Enforcement Center Debt			
Principal		1,390,099	
Interest		1,153,195	
Total	<u>2,543,300</u>	<u>2,543,294</u>	<u>6</u>
Total Debt Service	<u>12,261,548</u>	<u>11,913,292</u>	<u>348,256</u>
Total expenditures	<u>79,896,358</u>	<u>74,799,047</u>	<u>5,097,311</u>
Revenue over (under) expenditures	<u>(8,490,396)</u>	<u>(206,984)</u>	<u>8,283,412</u>
Other financing sources (uses):			
Transfers-in:			
Law Enforcement Center Fund	2,338,548	2,318,547	(20,001)
Total transfers-in	<u>2,338,548</u>	<u>2,318,547</u>	<u>(20,001)</u>
Transfers-out:			
DOJ Funds	(15,000)	-	15,000
Total transfers-out	<u>(15,000)</u>	<u>-</u>	<u>15,000</u>
Loan proceeds	-	-	-
Lease liabilities issued	-	2,054,006	2,054,006
Fund balance appropriated	6,166,848	-	(6,166,848)
Total other financing sources (uses)	<u>8,490,396</u>	<u>4,372,553</u>	<u>(4,117,843)</u>
Excess of revenues and other sources over (under expenditures and other uses)	<u>\$ -</u>	<u>4,165,569</u>	<u>\$ 4,165,569</u>
Fund balance- July 1		45,693,486	
Prior Period Adjustment (see Note IX)		<u>809,409</u>	
Fund balance- June 30		<u>\$ 50,668,464</u>	

Granville County, North Carolina
Coronavirus State Local Fiscal Recovery Funds CFR 21.027 (ARPA Funds)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2022

Exhibit B-2

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<u>REVENUES</u>					
Restricted intergovernmental revenues					
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	9,264	9,264	9,264
Total Revenues	-	-	9,264	9,264	9,264
<u>EXPENDITURES</u>					
ARPA Expenditures	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Revenues over (under) expenditures	-	-	9,264	9,264	9,264
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers-in (out)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ -	9,264	\$ 9,264	\$ 9,264
Fund balance, beginning			-		
Fund balance, ending			\$ 9,264		

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.

Opioid Settlement Fund: This fund is used to account for funds received from a national settlement with manufacturers to mitigate the effects of opioid abuse across the County.

Capital Project Fund

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

Granville Greenway Project Fund: This fund is used to account for Greenway projects.

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, 2022

Exhibit C-1

	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	Opioid Settlement Fund	
ASSETS								
Current Assets:								
Cash and cash equivalents	\$ 382,253	\$ 184,531	\$ -	\$ 53,101	\$ 77,541	\$ 70,077	\$ -	\$ 767,503
Restricted cash	-	-	-	-	-	-	146,008	146,008
Accounts receivable	22,584	-	-	-	-	-	-	22,584
Prepaid items	-	-	-	-	-	-	-	-
Total assets	<u>404,837</u>	<u>184,531</u>	<u>-</u>	<u>53,101</u>	<u>77,541</u>	<u>70,077</u>	<u>146,008</u>	<u>936,095</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	276	381	-	-	-	-	-	657
Due to other funds	-	-	400	-	-	-	-	400
Unspent grant funds	-	-	-	-	-	-	146,008	146,008
Total liabilities	<u>276</u>	<u>381</u>	<u>400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,008</u>	<u>147,065</u>
Fund balances:								
Restricted:								
Stabilization by State Statute	22,584	-	-	-	-	-	-	22,584
Community Services	-	184,150	-	-	-	-	-	184,150
Education	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	70,077	-	70,077
Public Safety	381,977	-	-	-	77,541	-	-	459,518
Unassigned	-	-	(400)	53,101	-	-	-	52,701
Total fund balances	<u>404,561</u>	<u>184,150</u>	<u>(400)</u>	<u>53,101</u>	<u>77,541</u>	<u>70,077</u>	<u>-</u>	<u>789,030</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 404,837</u>	<u>\$ 184,531</u>	<u>\$ -</u>	<u>\$ 53,101</u>	<u>\$ 77,541</u>	<u>\$ 70,077</u>	<u>\$ 146,008</u>	<u>\$ 936,095</u>

continued

Granville County, North Carolina
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2022

Exhibit C-1
(continued)

	Capital Project Funds						Total Non-Major Governmental 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 Capital Project Funds	
ASSETS							
Current Assets:							
Cash and cash equivalents	\$ 97,263	\$ 226,742	\$ 90,335	\$ 2,244,387	\$ 1,862	\$ 2,660,589	\$ 3,428,092
Restricted cash	-	-	-	-	-	-	146,008
Accounts receivable	-	-	-	3,431	-	3,431	26,015
Prepaid items	-	-	-	-	-	-	-
Total assets	<u>97,263</u>	<u>226,742</u>	<u>90,335</u>	<u>2,247,818</u>	<u>1,862</u>	<u>2,664,020</u>	<u>3,600,115</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	-	-	-	-	-	-	657
Due to other funds	-	229,287	-	-	-	229,287	229,687
Unspent grant funds	-	-	-	-	-	-	146,008
Total liabilities	<u>-</u>	<u>229,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>229,287</u>	<u>376,352</u>
Fund balances:							
Restricted:							
Stabilization by State Statute	-	-	-	3,431	-	3,431	26,015
Community Services	97,263	-	-	-	-	97,263	281,413
Education	-	-	-	2,244,387	-	2,244,387	2,244,387
Human Services	-	-	-	-	-	-	70,077
Public Safety	-	-	-	-	1,862	1,862	461,380
Unassigned	-	(2,545)	90,335	-	-	87,790	140,491
Total fund balances	<u>97,263</u>	<u>(2,545)</u>	<u>90,335</u>	<u>2,247,818</u>	<u>1,862</u>	<u>2,434,733</u>	<u>3,223,763</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 97,263</u>	<u>\$ 226,742</u>	<u>\$ 90,335</u>	<u>\$ 2,247,818</u>	<u>\$ 1,862</u>	<u>\$ 2,664,020</u>	<u>\$ 3,600,115</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, 2022

Exhibit C-2

	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	Opioid Settlement Fund	
REVENUES								
Restricted intergovernmental revenues	\$ 271,006	\$ -	\$ -	\$ -	\$ -	\$ 137,403	\$ -	\$ 408,409
Unrestricted intergovernmental revenues	-	-	-	-	-	-	-	-
Sales and other taxes	-	-	-	-	27,303	-	-	27,303
Licenses, fees, and other revenues	-	-	-	-	-	-	-	-
Investment earnings	250	291	-	-	-	-	-	541
Miscellaneous	-	5,747	-	-	-	-	-	5,747
Total revenues	<u>271,256</u>	<u>6,038</u>	<u>-</u>	<u>-</u>	<u>27,303</u>	<u>137,403</u>	<u>-</u>	<u>442,000</u>
EXPENDITURES								
General Government	-	-	-	-	-	-	-	-
Public Safety	262,110	-	-	-	37,892	-	-	300,002
Community services	-	7,298	-	-	-	-	-	7,298
Human Services	-	-	-	-	-	151,373	-	151,373
Education	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	<u>262,110</u>	<u>7,298</u>	<u>-</u>	<u>-</u>	<u>37,892</u>	<u>151,373</u>	<u>-</u>	<u>458,673</u>
Revenues over (under) Expenditures	<u>9,146</u>	<u>(1,260)</u>	<u>-</u>	<u>-</u>	<u>(10,589)</u>	<u>(13,970)</u>	<u>-</u>	<u>(16,673)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in (out)								
General Fund	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Fund Balances	9,146	(1,260)	-	-	(10,589)	(13,970)	-	(16,673)
Fund balance, beginning	<u>395,415</u>	<u>185,410</u>	<u>(400)</u>	<u>53,101</u>	<u>88,130</u>	<u>84,047</u>	<u>-</u>	<u>805,703</u>
Fund Balance, ending	<u>\$ 404,561</u>	<u>\$ 184,150</u>	<u>\$ (400)</u>	<u>\$ 53,101</u>	<u>\$ 77,541</u>	<u>\$ 70,077</u>	<u>\$ -</u>	<u>\$ 789,030</u>

continued

Granville County, North Carolina
Non-Major Governmental Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2022

Exhibit C-2
(continued)

	Capital Project Funds						Total Non-Major Capital Project Funds	Total Non-Major Governmental Funds
	Granville Greenway Project Fund	Falls Meadow Montgomery Place Project Fund	GAP Phase III Project Fund	School Repair Project Fund	Law Enforcement Center Fund			
REVENUES								
Restricted intergovernmental revenues	\$ -	\$ -	\$ 280,000	\$ -	\$ -	\$ 280,000	\$ 688,409	
Unrestricted intergovernmental revenues	-	-	-	-	-	-	-	
Sales and other taxes	-	-	-	-	-	-	27,303	
Licenses, fees, and other revenues	-	15,404	-	-	-	15,404	15,404	
Investment earnings	-	-	-	-	1,901	1,901	2,442	
Miscellaneous	-	-	-	-	-	-	5,747	
Total revenues	-	15,404	280,000	-	1,901	297,305	739,305	
EXPENDITURES								
General Government	-	-	-	-	-	-	-	
Public Safety	-	-	-	-	-	-	300,002	
Community services	-	-	-	-	-	-	7,298	
Human Services	-	-	-	-	-	-	151,373	
Education	-	-	-	495,292	-	495,292	495,292	
Capital outlay	-	-	64,004	-	170,446	234,450	234,450	
Debt service	-	-	-	-	-	-	-	
Principal	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	
Total expenditures	-	-	64,004	495,292	170,446	729,742	1,188,415	
Revenues over (under) Expenditures	-	15,404	215,996	(495,292)	(168,545)	(432,437)	(449,110)	
OTHER FINANCING SOURCES (USES)								
Transfers in (out)								
General Fund	-	-	-	-	(2,318,547)	(2,318,547)	(2,318,547)	
Total other financing sources (uses)	-	-	-	-	(2,318,547)	(2,318,547)	(2,318,547)	
Change in Fund Balances	-	15,404	215,996	(495,292)	(2,487,092)	(2,750,984)	(2,767,657)	
Fund balance, beginning	97,263	(17,949)	(125,661)	2,743,110	2,488,954	5,185,717	5,991,420	
Fund Balance, ending	\$ 97,263	\$ (2,545)	\$ 90,335	\$ 2,247,818	\$ 1,862	\$ 2,434,733	\$ 3,223,763	

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, 2022

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<u>REVENUES</u>			
Restricted intergovernmental revenues			
State Cell Surcharge	\$ 271,005	\$ 271,006	\$ 1
Investment earnings	60,000	250	(59,750)
Total revenues	<u>331,005</u>	<u>271,256</u>	<u>(59,749)</u>
<u>EXPENDITURES</u>			
Public safety			
Telephone		91,184	
Other operating expenditures		170,926	
Capital outlay		-	
Total Expenditures	<u>331,005</u>	<u>262,110</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>9,146</u>	<u>(59,749)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer (to) from other funds			
General Fund	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources over (under) Expenditures and other uses	<u>\$ -</u>	<u>9,146</u>	<u>\$ (59,749)</u>
FUND BALANCE			
Fund balance, beginning- July 1		<u>395,415</u>	
Fund balance, ending - June 30		<u>\$ 404,561</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		\$ 9,146	
Plus: Transfers to General Fund to adjust fund balance to the proper beginning balance		<u>-</u>	
Net Change per PSAP Revenue-Expenditure Report		9,146	
Beginning Balance, PSAP Revenue-Expenditure Report		<u>395,381</u>	
Ending Balance, PSAP Revenue-Expenditure Report		<u>\$ 404,561</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, 2022

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<u>REVENUES</u>			
Donations	\$ 20,000	\$ 5,747	\$ (14,253)
Investment earnings	-	291	291
Total Revenues	<u>20,000</u>	<u>6,038</u>	<u>(13,962)</u>
<u>EXPENDITURES</u>			
Projects	<u>20,000</u>	<u>7,298</u>	<u>12,702</u>
Total Expenditures	<u>20,000</u>	<u>7,298</u>	<u>12,702</u>
Revenues over (under) expenditures	<u>-</u>	<u>(1,260)</u>	<u>(1,260)</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>(1,260)</u>	<u>\$ (1,260)</u>
<u>FUND BALANCE</u>			
Fund balance, beginning- July 1		<u>185,410</u>	
Fund balance, ending - June 30		<u>\$ 184,150</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, 2022

Exhibit C-5

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
CARES Act Funding	\$ 1,173,075	\$ 2,080,904	\$ -	\$ 2,080,904	\$ 907,829
Investment earnings	400	-	-	-	(400)
Total Revenues	<u>1,173,475</u>	<u>2,080,904</u>	<u>-</u>	<u>2,080,904</u>	<u>907,429</u>
EXPENDITURES					
Disbursements to other governments	1,911,502	1,911,502	-	1,911,502	-
COVID Relief	58,936	58,936	-	58,936	-
Total Expenditures	<u>1,970,438</u>	<u>1,970,438</u>	<u>-</u>	<u>1,970,438</u>	<u>-</u>
Revenues over (under) expenditures	<u>(796,963)</u>	<u>110,466</u>	<u>-</u>	<u>110,466</u>	<u>907,429</u>
OTHER FINANCING SOURCES (USES)					
Transfer-in (out)					
General Fund	1,233,427	325,598	-	325,598	(907,829)
General Fund	<u>(436,464)</u>	<u>(436,464)</u>	<u>-</u>	<u>(436,464)</u>	<u>-</u>
Total Other Financing Sources (uses)	<u>796,963</u>	<u>(110,866)</u>	<u>-</u>	<u>(110,866)</u>	<u>(907,829)</u>
Revenues and Other Sources over (under) Expenditures and other uses	<u>\$ -</u>	<u>\$ (400)</u>	<u>-</u>	<u>\$ (400)</u>	<u>\$ (400)</u>
FUND BALANCE					
Fund balance, beginning- July 1			<u>(400)</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, 2022

Exhibit C-6

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
CARES Act Grant	\$ 80,188	\$ 133,292	\$ -	\$ 133,292	\$ 53,104
HAVA Grant	60,028	60,028	-	60,028	-
Total Revenues	<u>140,216</u>	<u>193,320</u>	<u>-</u>	<u>193,320</u>	<u>53,104</u>
<u>EXPENDITURES</u>					
CARES Act Grant	83,772	83,772	-	83,772	-
HAVA Grant	60,206	60,209	-	60,209	(3)
Total Expenditures	<u>143,978</u>	<u>143,981</u>	<u>-</u>	<u>143,981</u>	<u>(3)</u>
Revenues over (under) expenditures	<u>(3,762)</u>	<u>49,339</u>	<u>-</u>	<u>49,339</u>	<u>53,101</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfer-in (out)					
General Fund	3,762	3,762	-	3,762	-
Total Other Financing Sources (uses)	<u>3,762</u>	<u>3,762</u>	<u>-</u>	<u>3,762</u>	<u>-</u>
Revenues and Other Sources over (under) Expenditures and other uses	<u>\$ -</u>	<u>\$ 53,101</u>	<u>-</u>	<u>\$ 53,101</u>	<u>\$ 53,101</u>
FUND BALANCE					
Fund balance, beginning- July 1			<u>53,101</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, 2022

Exhibit C-7

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<u>REVENUES</u>			
Sheriff Special Revenue	\$ 30,000	\$ 27,303	\$ (2,697)
Total Revenues	<u>30,000</u>	<u>27,303</u>	<u>(2,697)</u>
<u>EXPENDITURES</u>			
Public Safety:			
Sheriff Special Revenue	30,000	37,892	(7,892)
Total Expenditures	<u>30,000</u>	<u>37,892</u>	<u>(7,892)</u>
Revenues over (under) expenditures	<u>-</u>	<u>(10,589)</u>	<u>(10,589)</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>(10,589)</u>	<u>\$ (10,589)</u>
Fund balance, beginning, as previously reported		<u>88,130</u>	
Fund balance, ending		<u>\$ 77,541</u>	

Granville County, North Carolina
Representative Payee Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
For the Year Ended June 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ 200,000	\$ 137,403	\$ (62,597)
Expenditures:			
Human services			
Payments made for the benefit of beneficiaries	200,000	151,373	48,627
Other Financing Sources(Uses):			
Fund Balance Appropriated	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>(13,970)</u>	<u>\$ (13,970)</u>
Fund balance, beginning		<u>84,047</u>	
Fund balance, ending		<u>\$ 70,077</u>	

Granville County, North Carolina

Opioid Settlement Funds

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2022

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<u>REVENUES</u>					
Restricted intergovernmental revenues					
Opioid Settlement Funds	\$ 3,800,363	\$ -	\$ -	\$ -	\$ (3,800,363)
Interest	-	-	-	-	-
Total Revenues	<u>3,800,363</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,800,363)</u>
<u>EXPENDITURES</u>					
Opioid Settlement Expenditures	<u>3,800,363</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Expenditures	<u>3,800,363</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,800,363</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers-in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ -</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, 2022

	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			97,263		
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, 2022

Exhibit C-11

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
<u>REVENUES</u>					
Licenses, fees and other revenues					
Assessment revenue	\$ 380,070	\$ 317,659	\$ 15,404	\$ 333,063	\$ (47,007)
Total Revenues	<u>380,070</u>	<u>317,659</u>	<u>15,404</u>	<u>333,063</u>	<u>(47,007)</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>\$ (17,949)</u>	15,404	<u>\$ (2,545)</u>	<u>\$ (2,545)</u>
Fund balance, beginning- July 1			<u>(17,949)</u>		
Fund balance, ending - June 30			<u>\$ (2,545)</u>		

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, 2022

	Project Authorization	Actual			Total to Date	Variance Positive (Negative)
		Prior Years	Current Year	Completed Project		
REVENUES						
Restricted Intergovernmental revenues:						
USTA Grant	\$ 70,000	\$ 70,000	\$ -	\$ (70,000)	\$ -	\$ -
Land & Water Conservation Fund Grant	250,000	-	250,000	(250,000)	-	-
PARTF Grant	300,000	270,000	30,000	(300,000)	-	-
Fifteen for 15 Campaign	13,500	13,498	-	(13,498)	-	(2)
Total Revenues	<u>633,500</u>	<u>353,498</u>	<u>280,000</u>	<u>(633,498)</u>	<u>-</u>	<u>(2)</u>
EXPENDITURES						
Capital outlay						
GAP Phase III	<u>2,131,560</u>	<u>1,977,219</u>	<u>64,004</u>	<u>(2,041,223)</u>	<u>-</u>	<u>90,337</u>
Total Expenditures	<u>2,131,560</u>	<u>1,977,219</u>	<u>64,004</u>	<u>(2,041,223)</u>	<u>-</u>	<u>90,337</u>
Revenues over (under) expenditures	<u>(1,498,060)</u>	<u>(1,623,721)</u>	<u>215,996</u>	<u>1,407,725</u>	<u>-</u>	<u>90,335</u>
OTHER FINANCING SOURCES (USES)						
Transfer-in (out)						
General Fund	<u>1,498,060</u>	<u>1,498,060</u>	<u>-</u>	<u>(1,407,725)</u>	<u>90,335</u>	<u>-</u>
Total Other Financing Sources (uses)	<u>1,498,060</u>	<u>1,498,060</u>	<u>-</u>	<u>(1,407,725)</u>	<u>90,335</u>	<u>-</u>
Revenues and Other Sources over (under) Expenditures and other uses	<u>\$ -</u>	<u>\$ (125,661)</u>	<u>215,996</u>	<u>\$ -</u>	<u>\$ 90,335</u>	<u>\$ 90,335</u>
FUND BALANCE						
Fund balance, beginning- July 1			<u>(125,661)</u>			
Fund balance, ending - June 30			<u>\$ 90,335</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, 2022

Exhibit C-13

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
REVENUES					
Restricted intergovernmental revenues					
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-
EXPENDITURES					
Capital Outlay					
HVAC repair	-	9,883,340	-	9,883,340	
Roofing repair	-	2,045,991	495,292	2,541,283	
Legal and financing fees	-	82,559	-	82,559	
Total Expenditures	14,755,000	12,011,890	495,292	12,507,182	2,247,818
Revenues over (under) expenditures	(14,755,000)	(12,011,890)	(495,292)	(12,507,182)	2,247,818
OTHER FINANCING SOURCES (USES)					
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	\$ -	\$ 2,743,110	(495,292)	\$ 2,247,818	\$ 2,247,818
Fund balance, beginning			2,743,110		
Fund balance, ending			\$ 2,247,818		

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, 2022

Exhibit C-14

	Project Authorization	Actual			Total to Date	Variance Positive (Negative)
		Prior Years	Current Year	Completed Project		
REVENUES						
Miscellaneous						
Donations	\$ 521,806	\$ 770	\$ -	\$ (770)	\$ -	\$ (521,036)
Interest on investments	-	886,131	1,901	(886,170)	1,862	888,032
Total Revenue	<u>521,806</u>	<u>886,901</u>	<u>1,901</u>	<u>(886,940)</u>	<u>1,862</u>	<u>366,996</u>
EXPENDITURES						
Capital Outlay:						
Land		694,295	-	(694,295)	-	
Construction		29,384,786	170,446	(29,555,232)	-	
Construction Reserve		2,632	-	(2,632)	-	
Design fee		2,012,864	-	(2,012,864)	-	
Fixtures, Furniture, and Equipment		993,368	-	(993,368)	-	
Financing and legal		444,698	-	(444,698)	-	
Total	<u>35,285,093</u>	<u>33,532,643</u>	<u>170,446</u>	<u>(33,703,089)</u>	<u>-</u>	<u>1,582,004</u>
Revenues over (under) expenditures	<u>(34,763,287)</u>	<u>(32,645,742)</u>	<u>(168,545)</u>	<u>32,816,149</u>	<u>1,862</u>	<u>1,949,000</u>
OTHER FINANCING SOURCES (USES)						
Transfer-in (out)						
General Fund	5,763,287	5,763,287	(2,318,547)	(3,444,740)	-	(2,318,547)
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>(2,318,547)</u>	<u>(32,816,149)</u>	<u>-</u>	<u>(1,947,138)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 2,488,954</u>	<u>(2,487,092)</u>	<u>\$ -</u>	<u>\$ 1,862</u>	<u>\$ 1,862</u>
Fund balance, beginning			<u>2,488,954</u>			
Fund balance, ending			<u>\$ 1,862</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, 2022

Exhibit D-1

	2022		Variance Positive (Negative)
	Budget	Actual	
<u>REVENUES</u>			
Operating revenues			
Landfill user fees	\$ 1,650,175	\$ 1,651,157	\$ 982
Solid waste charges	1,306,400	1,203,396	(103,004)
Other operating revenues			
White goods		17,129	
Scrap tire disposal tax		102,047	
Solid waste disposal tax		37,960	
Compost/Mulch sales		5,860	
Cornwall Lease		52,062	
Miscellaneous		112,740	
Total other operating revenues	<u>216,000</u>	<u>327,798</u>	<u>111,798</u>
Total Operating Revenues	<u>3,172,575</u>	<u>3,182,351</u>	<u>9,776</u>
Non-Operating Revenues:			
Interest earned on investments	<u>700,000</u>	<u>1,379</u>	<u>(698,621)</u>
Total non-operating revenues	<u>700,000</u>	<u>1,379</u>	<u>(698,621)</u>
Total Revenues	<u>3,872,575</u>	<u>3,183,730</u>	<u>(688,845)</u>
<u>EXPENDITURES</u>			
Solid Waste Operations			
Supplies and materials		1,552	
Manned sites		395,837	
Oil and Anti-Freeze Disposal		4,076	
Freon Removal		6,696	
Waste disposal		406,994	
Road Side Cleanup		85	
Container transportation		284,598	
Maintenance and grounds		24,443	
Miscellaneous		244	
Total	<u>1,435,300</u>	<u>1,124,525</u>	<u>310,775</u>
Site remodeling and construction	<u>25,000</u>	<u>2,525</u>	<u>22,475</u>
Total Solid Waste Operations	<u>1,460,300</u>	<u>1,127,050</u>	<u>333,250</u>
Landfill Operations			
Salaries and employee benefits		332,037	
Professional services		70,986	
Gas, oil, tires		11,617	
Supplies and materials		6,189	
Brush grinding		45,937	
Travel		703	
Telephone and postage		5,284	
Utilities		7,179	
Maintenance and grounds		28,513	
Advertising		856	
Tire disposal		93,719	
Registration and training		4,131	
Contract services		915,141	
Noncapitalized equipment		4,687	
Miscellaneous		51,289	
Total Landfill Operations	<u>2,057,447</u>	<u>1,578,268</u>	<u>479,179</u>

continued

Granville County, North Carolina
Solid Waste Management
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2022

Exhibit D-1
continued

Convenience sites			
Professional services	24,950	4,000	20,950
<hr/>			
Debt Service			
Principal	-	5,797	(5,797)
Interest	-	58	(58)
Total Debt Service	-	5,855	(5,855)
<hr/>			
Budgetary Appropriations			
Capital outlay - landfill	349,605	582,799	(233,194)
Capital outlay - landfill closure costs	3,093,819	43,606	3,050,213
Total	3,443,424	626,405	2,817,019
<hr/>			
Total Expenditures	6,986,121	3,341,578	3,644,543
<hr/>			
Revenues over (under) expenditures	(3,113,546)	(157,848)	2,955,698
<hr/>			
<u>OTHER FINANCING SOURCES (USES)</u>			
Lease liabilities issued	-	17,901	17,901
Transfers-in/out			
General Fund	2,548,656	-	(2,548,656)
Fund Balance Appropriated			
Landfill	370,540	-	(370,540)
Solid Waste	194,350	-	(194,350)
<hr/>			
Total other financing sources (uses)	3,113,546	17,901	(3,095,645)
<hr/>			
Revenues over (under) sources and other uses	\$ -	\$ (139,947)	\$ (139,947)
<hr/>			

RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL

Excess of revenues over (under) expenditures	\$ (139,947)
Reconciling items:	
Depreciation	(139,897)
Capital outlay	564,898
Right to use leased assets	17,901
Lease liabilities issued	(17,901)
Lease payments	5,797
Amortization on right to use leased assets	(5,357)
Increase (decrease) in deferred outflows of resources	7,084
(Increase) decrease in net pension liability	53,756
(Increase) decrease in deferred inflows of resources	(52,280)
(Increase) decrease in accrued landfill closure and postclosure care costs	(253,356)
(Increase) decrease in total OPEB liability	(13,740)
(Increase) decrease in accrued vacation payable	4,280
Net Income (loss)	<u>\$ 31,238</u>

**Granville County, North Carolina
Stormwater Fund**

Exhibit D-2

**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2022**

	2022		Variance Positive (Negative)
	Budget	Actual	
<u>REVENUES</u>			
Restricted intergovernmental revenue			
Federal grant	\$ -	\$ -	\$ -
Operating revenues			
Stormwater fees	270,000	267,197	(2,803)
Other operating revenues			
Contributions	<u>91,826</u>	<u>76,429</u>	<u>(15,397)</u>
Total Revenues	<u>361,826</u>	<u>343,626</u>	<u>(18,200)</u>
<u>EXPENDITURES</u>			
Stormwater Operations			
Salaries and employee benefits		-	
Professional services		121,883	
Supplies and materials		635	
Postage		158	
Dues and subscriptions		178,164	
Advertising		-	
Waste disposal		2,123	
Contracted services		56,363	
Maintenance		49	
Administration		-	
Miscellaneous		993	
Total Operating Expenditures	<u>403,826</u>	<u>360,368</u>	<u>43,458</u>
Revenues over (under) expenditures	<u>(42,000)</u>	<u>(16,742)</u>	<u>25,258</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Fund Balance Appropriated	<u>42,000</u>	-	<u>(42,000)</u>
Total other financing sources (uses)	<u>42,000</u>	-	<u>(42,000)</u>
Revenues over (under) sources and other uses	<u>\$ -</u>	<u>\$ (16,742)</u>	<u>\$ 67,258</u>

RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL BASIS:

Excess of revenues over (under) expenditures	\$ (16,742)
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	<u>-</u>
Net Income (loss)	<u>\$ (16,742)</u>

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, 2022

Exhibit E-1

	2022		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Contributions from employees	\$ 3,396,022	\$ 3,685,084	\$ 289,062
Total revenues	<u>3,396,022</u>	<u>3,685,084</u>	<u>289,062</u>
Expenditures			
Health insurance administration	918,699	867,280	51,419
Claims	<u>2,727,323</u>	<u>2,824,508</u>	<u>(97,185)</u>
Total expenditures	<u>3,646,022</u>	<u>3,691,788</u>	<u>(45,766)</u>
Revenues over (under) expenditures	<u>(250,000)</u>	<u>(6,704)</u>	<u>243,296</u>
OTHER FINANCING SOURCES (USES)			
Transfer from General Fund	-	-	-
Appropriated fund balance	<u>250,000</u>	-	<u>(250,000)</u>
Total	<u>250,000</u>	<u>-</u>	<u>(250,000)</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>(6,704)</u>	<u>\$ (6,704)</u>
Fund balances			
Beginning of year, July 1		<u>429,863</u>	
End of year, June 30		<u>\$ 423,159</u>	
Reconciliation from financial plan basis (modified accrual) to full accrual:			
Total revenues		\$ 3,685,084	
Total expenditures		<u>3,691,788</u>	
Change in net position		<u>\$ (6,704)</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, 2022

Exhibit F-1

	Municipal Tax Fund	Jail Inmate Pay Fund	Sheriff Execution & Evidence Funds	Total Custodial Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ 7,553	\$ 127,133	\$ 134,686
Taxes receivable for other governments, net	207,170	-	-	207,170
Total assets	<u>207,170</u>	<u>7,553</u>	<u>127,133</u>	<u>341,856</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	207,170	7,553	127,133	341,856
Total net position	<u>\$ 207,170</u>	<u>\$ 7,553</u>	<u>\$ 127,133</u>	<u>\$ 341,856</u>

Granville County, North Carolina
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2022

Exhibit F-2

	<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	\$ 9,970,095	\$ -	\$ -	\$ 9,970,095
Collections on behalf of inmates	-	342,170	-	342,170
Evidence receipts	-	-	16,822	16,822
Execution receipts	-	-	99,769	99,769
Total additions	<u>9,970,095</u>	<u>342,170</u>	<u>116,591</u>	<u>10,428,856</u>
DEDUCTIONS				
Tax distributions to other governments	9,982,496	-	-	9,982,496
Payments on behalf of inmates	-	349,746	-	349,746
Evidence Disbursements	-	-	24,384	24,384
Execution Disbursements	-	-	99,765	99,765
Total deductions	<u>9,982,496</u>	<u>349,746</u>	<u>124,149</u>	<u>10,456,391</u>
Net increase (decrease) in fiduciary net position	(12,401)	(7,576)	(7,558)	(27,535)
Net position, beginning	<u>219,571</u>	<u>15,129</u>	<u>134,691</u>	<u>369,391</u>
Net position, ending	<u>\$ 207,170</u>	<u>\$ 7,553</u>	<u>\$ 127,133</u>	<u>\$ 341,856</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
For the Year Ended June 30, 2022

Exhibit G-1

<u>Fiscal Year</u>	<u>Uncollected Beginning Balance</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Ending Balance</u>
2021-2022	\$ -	\$ 44,169,799	\$ 43,744,253	\$ 425,546
2020-2021	545,032	-	344,887	200,145
2019-2020	199,150	-	132,035	67,115
2018-2019	113,563	-	57,156	56,407
2017-2018	59,128	-	27,910	31,218
2016-2017	37,486	-	11,625	25,861
2015-2016	22,384	-	6,011	16,373
2014-2015	38,480	-	2,950	35,530
2013-2014	28,276	-	970	27,306
2012-2013	31,611	-	1,336	30,275
2011-2012	26,677	-	26,677	-
Totals	\$ <u>1,101,787</u>	\$ <u>44,169,799</u>	\$ <u>44,355,810</u>	<u>915,776</u>
				<u>(273,000)</u>
				\$ <u>642,776</u>
 <u>Reconciliation with revenues:</u>				
				\$ 44,058,604
Ad valorem taxes - General Fund				(230,009)
Interest				501,195
Discounts, Fees, and Adjustments				26,020
Taxes written off				<u>297,206</u>
Total reconciling items				<u>297,206</u>
Total collections and credits				\$ <u>44,355,810</u>

Granville County
Analysis of Current Tax Levy
County-Wide Levy
For the Year Ended June 30, 2022

Exhibit G-2

	County Wide		Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate			
Original Levy:					
Property taxed at current years rate	\$ 4,413,777,976	0.840	\$ 37,075,735	\$ 37,075,735	\$ -
Motor Vehicles at current years rate	<u>656,856,667</u>	0.840	<u>5,517,596</u>	<u>-</u>	<u>5,517,596</u>
Total	<u>5,070,634,643</u>		<u>42,593,331</u>	<u>37,075,735</u>	<u>5,517,596</u>
Discoveries:					
Current and prior year's taxes	<u>264,034,643</u>	0.840	<u>2,217,891</u>	<u>2,217,891</u>	<u>-</u>
Abatements	<u>(76,359,881)</u>	0.840	<u>(641,423)</u>	<u>(641,423)</u>	<u>-</u>
Total Property Valuation	<u>\$ 5,258,309,405</u>				
Net Levy			44,169,799	38,652,203	5,517,596
Uncollected taxes June 30, 2022			<u>425,546</u>	<u>425,546</u>	<u>-</u>
Current years taxes collected			<u>\$ 43,744,253</u>	<u>\$ 38,226,657</u>	<u>\$ 5,517,596</u>
Current levy collection percentage			<u>99.04%</u>	<u>98.90%</u>	<u>100.00%</u>

Statistical Section

The Statistical Section includes unaudited schedules showing relevant information on Granville County presented in the following five categories:

Financial Trends - Tables 1 - 5

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

Revenue Capacity - Tables 6 - 10

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

Debt Capacity - Tables 11-13

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

Demographic and Economic Information - Tables 14 - 16

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

Operating Information - Tables 16 - 18

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

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 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	\$ 43,120,085
Restricted	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	14,785,285
Unrestricted	(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)	(34,972,531)
Total governmental activities net position	<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>	<u>22,932,839</u>
Business-type activities										
Net investment in capital assets	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	5,460,693
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(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)	(6,757,275)
Total business-type activities net position	<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>	<u>(1,296,582)</u>
Primary government										
Net investment in capital assets	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	48,580,778
Restricted	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	14,785,285
Unrestricted	(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)	(41,729,806)
Total primary government net position	<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>	<u>\$ 21,636,257</u>

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 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	\$ 6,794,962
Public safety	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	17,797,042
Transportation	148,296	156,779	173,068	192,910	198,866	198,866	197,224	-	-	-
Economic and physical development	797,499	476,826	753,782	668,747	717,586	951,127	1,363,072	98,607	196,631	490,477
Human Services	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	11,179,594
Community Services	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	6,670,544
Education	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	20,096,041
Interest on long-term debt	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	3,082,417
Total governmental activities expenses	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	66,111,077
Business-type activities										
Solid Waste	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	3,152,584
Stormwater	209,073	261,089	280,217	319,275	313,745	328,837	649,980	353,112	201,552	360,368
Total business-type activities	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	3,512,952
Total primary government expenses	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	69,624,029
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	507,272	527,492	487,489	554,483	523,328	579,242	480,581	549,422	582,862	618,730
Public Safety	703,591	676,055	817,649	938,960	838,781	767,356	1,301,830	1,235,574	1,246,015	1,295,517
Economic and physical development	-	-	-	-	-	-	-	-	32,476	15,404
Human Services	97,873	84,399	37,670	20,681	22,648	18,628	20,738	16,037	19,556	22,574
Community Services	200,492	243,873	258,978	306,025	326,800	366,764	357,883	448,387	591,894	676,291
Education	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions										
General Government	69,878	29,930	65,893	55,016	69,738	3,906	-	-	269,030	-
Public Safety	1,711,479	926,318	918,182	948,876	901,466	731,557	798,006	1,887,150	1,651,634	2,842,752
Transportation	291,028	191,221	807,152	397,308	209,041	317,421	327,578	-	-	-
Economic and physical development	326,361	58,986	438,483	220,568	459,405	63,291	884,283	535,007	577,493	78,840
Human Services	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	7,723,917
Community Services	156,245	138,529	136,599	136,826	166,602	180,057	137,790	108,997	108,694	130,345
Education	1,060,202	1,000,000	848,881	397,280	680,312	530,247	539,245	-	61,552	99,610
Capital grants and contributions										
General Government	-	-	-	-	-	-	6,403	-	-	-
Public Safety	-	-	-	-	-	770	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Economic and physical development	41,415	508,364	66,979	113,028	-	-	157,330	127,853	340,000	280,000
Community Services	-	498,631	378,019	22,130	143,116	-	-	-	-	-
Education	-	-	-	-	-	-	-	554,233	623,240	567,385
Total governmental activities program revenues	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	14,351,365

continued

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type activities										
Charges for services:										
Solid Waste	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	2,854,553
Stormwater	248,572	249,597	257,086	303,627	256,150	256,860	261,479	261,463	264,147	267,197
Operating grants and contributions	-	24,222	25,500	25,500	25,500	25,500	33,263	25,500	-	-
Capital grants and contributions	3,493	-	-	-	1,156	500	-	-	-	-
Total business-type activities program revenues	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	3,121,750
Total primary government program revenues	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	17,473,115
Net (expenses)/revenue										
Governmental activities										
General Government	(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)	(6,176,232)
Public Safety	(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)	(13,658,773)
Transportation	142,732	34,442	634,084	204,398	10,175	118,555	130,354	-	-	-
Environmental Protection	-	-	-	-	-	-	-	-	-	-
Economic and physical development	(429,723)	90,524	(248,320)	(335,151)	(258,181)	(887,836)	(321,459)	564,253	753,338	(116,233)
Human Services	(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)	(3,433,103)
Community Services	(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)	(5,863,908)
Education	(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)	(19,429,046)
Interest on long term debt	(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)	(3,082,417)
Business-type activities										
Solid waste	(2,628,499)	278,735	(192,065)	(113,825)	231,378	324,385	(1,488,172)	2,922,720	(136,477)	(298,031)
Stormwater	39,499	(11,492)	(23,131)	(15,648)	(56,439)	(71,477)	(388,501)	(91,649)	62,595	(93,171)
Total primary government net expenses	(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)	(52,150,914)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	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	43,896,725
Local option sales tax	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	11,582,756
Other taxes and licenses	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	4,741,569
Investment earnings	49,130	41,765	26,657	37,952	169,172	484,589	1,420,517	934,439	12,248	67,601
Miscellaneous	297,442	354,724	303,684	396,971	357,010	4,086,184	768,369	649,786	478,903	538,737
Transfers	-	-	-	-	-	(1,000,000)	-	-	-	-
Total general revenues, special items and transfers	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	60,827,388
Total governmental activities	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	60,827,388
Business-type activities:										
Investment earnings	5,062	1,778	1,534	4,863	11,872	16,085	21,387	14,322	259	1,379
Miscellaneous	95,795	104,247	84,583	87,748	79,627	93,627	79,798	82,396	50,861	404,227
Transfers	-	-	-	-	-	1,000,000	-	-	-	-
Total general revenues, special items and transfers	100,857	106,025	86,117	92,611	91,499	1,109,712	101,185	96,718	51,120	405,606
Total business-type activities	100,857	106,025	86,117	92,611	91,499	1,109,712	101,185	96,718	51,120	405,606
Total primary government	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	61,232,994
Changes in Net Position										
Governmental activities	(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	9,067,676
Business-type activities	(2,488,143)	373,268	(129,079)	(36,862)	266,438	1,362,620	(1,775,488)	2,927,789	(22,762)	14,404
Total primary government	\$ (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	\$ 9,082,080

**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
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
2022	43,896,725	11,582,756	33,980	288,612	4,338,164	60,140,237

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable										
Prepaid items	\$ 900	\$ 1,635	\$ 1,916	\$ 1,711	\$ 1,542	\$ 1,855	\$ 4,000	\$ 4,000	\$ 6,200	\$ 6,200
Leases	-	-	-	-	-	-	-	-	-	63,047
Restricted										
Stabilization by State Statute	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	6,081,310
Register of Deeds	-	12,618	35,050	42,603	60,950	30,743	53,193	79,849	113,275	112,665
Human Services	5,416,399	3,538,668	-	-	-	5,800,692	2,695,571	1,403,761	1,484,280	1,564,676
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	3,934,098
Community Services	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Committed										
Tax Revaluation	294,687	392,987	491,351	591,041	376,543	-	105,086	212,638	317,698	318,208
Public Safety	945,368	1,022,524	1,091,381	994,675	812,043	791,710	704,631	573,758	447,334	615,870
Assigned										
Subsequent year's expenditures	1,735,002	1,874,511	1,884,639	594,708	386,385	418,603	2,313,755	2,955,337	5,645,236	3,466,276
Community Services	-	-	-	500,000	700,000	500,000	-	-	-	2,200,000
Economic & Physical Development	956,521	548,995	452,737	630,300	1,600,000	1,070,000	1,070,000	1,070,000	1,070,000	1,600,000
Public Safety	-	-	-	-	7,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,500,000
Human Services	-	-	-	-	2,000,000	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	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	27,206,114
Total General Fund	\$ 30,763,074	\$ 32,160,927	\$ 37,633,543	\$ 39,846,793	\$ 44,528,612	\$ 48,018,105	\$ 42,555,547	\$ 44,557,283	\$ 45,693,486	\$ 50,668,464
All other governmental funds										
Nonspendable										
Prepaid items	\$ -	\$ 34,930	\$ 34,930	\$ 34,930	\$ 34,930	\$ 34,930	\$ -	\$ -	\$ -	\$ -
Restricted										
Stabilization by State Statute	83,357	30,034	32,179	34,910	37,887	32,374	70,780	103,208	34,922	26,015
Education	29,021	29,023	4,247,438	-	-	6,688,873	9,291,586	3,080,780	2,739,679	2,244,387
Community Services	986,837	837,938	265,776	240,274	302,527	317,293	733,235	300,823	282,673	290,677
Human Services	-	-	-	-	-	-	-	-	84,047	70,077
Public Safety	158,231	179,841	229,137	349,769	268,776	5,356,681	23,042,692	4,344,401	2,941,008	461,380
Economic & Physical Development	2,308,842	1,222,231	796,905	-	-	-	-	-	-	-
Committed										
Economic & Physical Development	642	-	-	-	-	-	-	-	-	-
Unassigned	-	(218,565)	-	(642,708)	-	(229,287)	(178,278)	(108,897)	(90,909)	140,491
Total other governmental funds	\$ 3,566,930	\$ 2,115,432	\$ 5,606,365	\$ 17,175	\$ 644,120	\$ 12,200,864	\$ 32,960,015	\$ 7,720,315	\$ 5,991,420	\$ 3,233,027

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Ad Valorem taxes	\$ 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	\$ 44,058,604
Sales and other taxes	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	16,236,835
Licenses, fees and other revenue	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	2,468,822
Restricted Intergovernmental Revenues	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	12,279,620
Investment earnings	49,130	41,765	26,657	37,952	169,172	484,589	1,420,517	934,439	12,248	67,601
Miscellaneous	177,404	350,646	236,566	235,137	184,525	112,088	121,899	157,594	139,110	229,150
Total Revenues	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	75,340,632
Expenditures										
Current:										
General government	3,005,461	3,112,460	3,070,425	3,385,737	3,367,050	3,503,946	3,990,744	3,943,162	4,963,587	5,293,561
Public safety	9,770,114	10,267,270	10,010,614	10,551,246	10,831,586	10,830,932	11,802,610	11,405,074	12,600,762	15,489,883
Community services	3,443,616	3,189,156	3,031,754	4,563,679	3,565,425	4,025,750	4,253,181	3,812,057	4,864,498	5,598,389
Economic and physical development	467,279	27,644	56,777	103,287	-	-	-	-	-	-
Human Services	10,907,712	10,461,480	10,122,056	10,439,671	10,151,118	9,328,515	9,964,361	9,685,890	12,690,260	12,044,391
Non-departmental & special areas	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	3,138,261
Capital Outlay	1,021,405	2,452,522	7,980,901	4,563,607	48,598	3,406,566	18,902,857	27,409,587	3,217,647	2,413,644
Intergovernmental:										
Education	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	20,096,041
Debt service:										
Bond issuance cost	345,343	-	-	-	-	-	-	-	-	-
Principal	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	8,614,909
Interest	2,711,060	2,857,638	3,247,813	3,109,783	2,876,526	2,724,068	3,477,571	4,127,135	3,784,515	3,298,383
Total expenditures	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	75,987,462
Excess of revenues over (under) expenditures	(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)	(646,830)
Other financing sources (uses)										
Debt proceeds	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	1,186,952	487,105	617,535	490,426	663,301	6,829,996	11,722,559	1,722,114	1,327,420	2,318,547
Transfers out to other funds	(1,406,952)	(487,105)	(617,535)	(490,426)	(663,301)	(7,929,996)	(11,722,559)	(1,722,114)	(1,510,420)	(2,318,547)
Lease liabilities issued	-	-	-	-	-	-	-	-	-	2,054,006
Total other financing sources (uses)	10,810,229	-	25,750,000	75,302	-	12,880,807	29,285,417	-	(118,672)	2,054,006
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(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)	1,407,176
Net change in fund balances	\$ (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)	\$ 1,407,176
Debt service as a percentage of noncapital expenditures	11.45%	14.88%	30.54%	16.51%	17.46%	16.29%	15.23%	15.92%	17.60%	16.19%

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
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
2022	44,058,604	11,582,756	33,980	969,981	56,645,321

**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
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%
2022	4,413,777,976	656,856,667	264,034,643	(76,359,881)	5,258,309,405	0.840	44,169,799	42,733,939	103.36%

Source: Granville County Tax Department

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
County Direct Rates*										
County-wide Rate	0.84	0.840	0.840	0.840	0.880	0.880	0.830	0.830	0.830	0.795
Municipality Rates										
City of Oxford	0.640	0.640	0.640	0.640	0.640	0.640	0.640	0.620	0.620	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	0.615	0.635	0.665	0.665	0.700	0.700	0.700
Town of Butner	0.425	0.365	0.365	0.365	0.365	0.365	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

**GRANVILLE COUNTY, NORTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS
JUNE 30, 2022
CURRENT YEAR AND FIVE YEARS AGO***

Taxpayer	2022			2017		Percentage of Total Taxable Assessed Value
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	
Toyota Motors Credit Corp	\$125,810,684	1	2.39%	\$ 93,687,597	1	2.08%
Certainteed Corporation	76,963,286	2	1.46%	50,477,695	2	1.12%
Santa Fe Natural Tobacco Company	52,997,314	3	1.01%	45,428,489	3	1.01%
Bridgestone Commercial Solutions^	40,961,980	4	0.78%	27,504,688	8	0.61%
Duke Energy Progress	40,592,222	5	0.77%	42,517,858	4	0.95%
Altec Industries	37,591,964	6	0.71%	-		
Safway LLC	36,896,781	7	0.70%	-		
ADUSA Distribution LLC CD 09/Delhaize American	36,578,377	8	0.70%	-		
Public Service Co. of NC	28,917,712	9	0.55%	34,776,537	7	0.77%
Shalag	22,978,558	10	0.44%	36,060,620	5	0.80%
Carefusion EIT LLC	-			21,042,653	9	0.47%
WAKE EMC	-			35,424,125	6	0.79%
AW North Carolina, Inc.	-			21,025,562	10	0.47%
Totals	<u>\$500,288,878</u>		<u>10.09%</u>	<u>\$ 407,945,824</u>		<u>9.07%</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)

**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
2013	32,427,425	31,513,749	97.18%	883,401	32,397,150	99.91%
2014	35,605,455	34,934,862	98.12%	670,593	35,605,455	100.00%
2015	35,141,489	34,735,388	98.84%	370,571	35,105,959	99.90%
2016	36,220,241	35,922,785	99.18%	281,083	36,203,868	99.95%
2017	39,561,843	39,186,091	99.05%	349,891	39,535,982	99.93%
2018	40,495,171	40,063,479	98.93%	400,474	40,463,953	99.92%
2019	40,787,499	40,112,789	98.35%	618,303	40,731,092	99.86%
2020	41,647,572	40,993,090	98.43%	587,367	41,580,457	99.84%
2021	43,025,688	42,480,656	98.73%	344,887	42,825,543	99.53%
2022	44,169,799	43,744,253	99.04%	-	43,744,253	99.04%

Source: Granville County Tax Department

**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	Leases			
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%
2022	49,904,953	27,509,698	-	5,215,000	1,691,893	84,321,544	1,389	3.25%

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

**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
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
2022	49,904,953	-	49,904,953	1.91%	0.95%	818

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

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

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 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	\$ 420,664,752
Total net debt applicable to limit	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	84,321,544
Legal debt margin	<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>	<u>\$ 336,343,208</u>
Total net debt applicable to the limit as a percentage of debt limit	28.13%	25.18%	27.62%	24.50%	21.79%	23.29%	27.71%	25.23%	22.34%	20.04%
Legal Debt Margin Calculation for Fiscal Year 2021										
Total assessed value										\$ 5,258,309,405
Debt limit (8% of total assessed value)										420,664,752
Debt applicable to limit:										
General obligation bonds										49,904,953
Installment Obligations										27,509,698
Certificates of Participation										5,215,000
Lease Financing Agreements - Governmental Activities										1,691,893
Total net debt applicable to limit										<u>84,321,544</u>
Legal debt margin										<u>\$ 336,343,208</u>

**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
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%
2022	61,023	42,807	84.3	22.5	6,593	2.9%

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)
 Fiscal year 2022 base on July 2020 NC Certified Population Estimate (May '22 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)
 Fiscal year 2022 based on FY 2020 Per Capita figure (May '22 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.
 Fiscal year 2022 figure based on 2020 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).
 Fiscal year 2022 figure based on Dept of Public Instruction - Average Daily Membership - (202122m-final-admmlld)

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.
 Fiscal year 2022 figures taken from June 2021 Prelim. Figure from the May 2022 NCACCESS report.

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

2022				2014			
Employer	Employees	Rank	Percentage of Total County Employment	Employer	Employees	Rank	Percentage of Total County Employment
Food Lion Distribution	1,500	1	5.07%	Revlon	1,374	1	4.94%
Revlon	850	2	2.87%	Altec Industries	642	2	2.31%
Altec Industries	950	3	3.21%	Certainteed Corporation	242	3	0.87%
Certainteed Corporation	350	4	1.18%	Food Lion Distribution	270	4	0.97%
Clayton Homes	250	5	0.84%	Bridgestone Bandag	198	5	0.71%
Bridgestone Bandag	250	6	0.84%	Clayton Homes	206	6	0.74%
Ideal Fastner	175	7	0.59%	Gate Precast	150	7	0.54%
Gate Precast	165	8	0.56%	Ideal Fastner	230	8	0.83%
Dill Air Controls	165	9	0.56%	Newton Instruments	139	9	0.50%
Carolina Sunrock	160	10	0.54%	Santa Fe Natural Tobacco	140	10	0.50%
Santa Fe Natural Tobacco	140	11	0.47%	PalletOne of North Carolina, Inc.	122	11	0.44%
Newton Instruments	120	12	0.41%	Care Fusion	118	12	0.42%
	<u>5,075</u>		<u>17.14%</u>	Total	<u>3,831</u>		<u>13.78%</u>

Source: Information from Granville County Economic Development Commisison & AccessNC/D4

* 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)

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

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	35	36.5	39	39	39	39	42	43	45.5	45.5
Human Services	98	98	99.5	103.5	103	102	106	108.5	113.5	116
Community Services	49.5	56	56	58.5	54	61	66	62.5	65	66
Public Safety										
Sheriff's Dept./Detention Center	99	99.5	100	99.5	102	103	102	109	116	118
Emergency Services*	25	29	31	29	31	43	31	28	28	31.5
Emergency Management	3	3	4	3	3	4	4	4	4	4
Solid Waste	4.5	4.5	5.5	5.5	6	6	6	6	6	6
Water & Sewer	-	-	-	-	-	0				
Total	314	326.5	335	338	338	358	357	361	378	387

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

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

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety/Sheriff										
Incident Reports**	8,918	8,763	8,446	8,505	7,425	8,499	7,663	6,089	5,450	6,040
Miscellaneous Incident Reports	-	-	-	-	-	-	-	-	-	-
Arrests	1,189	1,014	887	994	978	849	744	702	737	723
Court Papers	6,965	5,945	7,532	6,604	6,955	6,328	6,346	5,770	3,860	4,523
Public Safety/Emerg Mgmt/Fire										
Number of calls answered (includes fire & medical first response calls)	2,585	1,953	2,335	2,333	2,272	2,344	2,464	3,458	2,789	3,100
Inspections	263	216	235	247	225	382	359	483	405	477
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	43,862
C & D Landfill Tonnage	13,024	15,447	13,480	15,172	2,757	0	0	0	0	0
Convenience Sites Tonnage	7,643	7,543	8,625	10,422	10,122	10,775	11,095	12,308	12,991	9,906
Civil Citations	7	5	4	6	5	5	2	20	15	21
Criminal Citations	-	1	1	-	-	0	0	0	0	0
Community Services/Library										
Items Added to Physical Collection	6,904	5,468	6,079	6,085	6,877	7,579	7,530	8,064	6,325	5,970
Items Added to Virtual Collection [^]	160	N/A	N/A	N/A	N/A	6,392	n/a	n/a	260	665
Circulation	136,094	118,346	126,891	135,810	136,844	130,075	142,725	125,609	93,573	114,557
Internet Use	61,369	45,713	54,830	54,850	56,883	48,195	48,049	59,333	47,149	50,183
Program Attendance	6,584	14,160	17,367	16,155	11,337	5,075	8,094	18,891*	4,401	7,422
Community Services/Planning & Inspections										
Number of Building Permits Issued	474	459	513	667	629	638	726	840	808	664
Number of Mobile Home Permits Issued	59	52	57	68	72	48	71	67	66	59
Number of Other Permits Issued (Includes Electrical, Plumbing & Mechanical)	695	768	825	857	913	834	1,030	1,186	1,011	1,072
Human Services/Social Services										
Average # Adult Medicaid Eligible Cases	2,525	2,515	3,000	5,534	3,997	4,353	4,450	2,851	2,919	3,268
Average # Family & Child Medicaid Cases	4,366	4,315	5,887	5,726	5,212	5,656	5,949	8,971	11,100	12,904
Average # Households Receiving Food Stamps	4,187	4,412	4,192	3,940	3,615	3,452	3,273	3,449	4,214	4,066
Average \$ Fraud Collections per Month	2,814	1,714	2,564	5,120	6,108	6,910	6,715	2,888	?	1,118
Education										
School enrollment	8,479	8,037	7,964	7,825	7,667	7,438	7,314	7,166	6,711	6,593

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

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

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

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

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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)	1595	1513	1521	1542	1546	1551	1554	1555	1559	1567
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	21	21	21	19	19	20	18	17	17

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

COMPLIANCE SECTION



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**Report On Internal Control Over Financial Reporting And On Compliance and
Other Matters Based On An Audit Of Financial Statements Performed In Accordance With
*Government Auditing Standards***

Independent 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 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, 2022, and the related notes to the financial statements, which collectively comprises Granville County's basic financial statements, and have issued our report thereon dated January 20, 2023. Our report includes a reference to other auditors who audited the financial statements of the Granville County ABC Board, as described in our report on the Granville County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Granville County ABC Board were not audited in accordance with *Government Auditing Standards*.

Report on 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) as a basis for designing 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.

Our consideration of internal control was for limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs [2022-003] to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items [2022-001, 2022-002] to be significant deficiencies.

Report on 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items [2022-002].

Granville County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Johnston County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 result 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
January 20, 2023



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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

Opinion on Each Major Federal Program

We have audited Granville County, North Carolina, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of the Granville County's major federal programs for the year ended June 30, 2022. Granville County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Granville County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Granville County's compliance with the compliance requirements referred to above.

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA Division of Firms

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Granville County federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Granville County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Granville County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Granville County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Granville County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Granville County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2022-004, 2022-005, 2022-006, 2022-007, 2022-008] to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Granville County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. 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.

Granville County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Granville County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
January 20, 2023



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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

Opinion on Each Major State Program

We have audited the Granville County, North Carolina, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Granville County's major State programs for the year ended June 30, 2022. Granville County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Granville County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of Granville County's compliance with the compliance requirements referred to above.

Members

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Granville County State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Granville County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Granville County's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Granville County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Granville County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Granville County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2022-004, 2022-005, 2022-006, 2022-007, 2022-008] to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Granville County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. 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.

Granville County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Granville County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
January 20, 2023

Granville County, North Carolina
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses X yes 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>AL #</u>	<u>Program Name</u>
93.563	Child Support Enforcement
93.568	Low-Income Home Energy Assistance:
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? X yes 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

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

Granville County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section I - Summary of Auditors' Results (continued)

Identification of major State programs:

Program Name
Medical Assistance Program
Public School Building Capital Fund
Juvenile Crime Prevention Programs

Section II - Financial Statement Findings

Finding: 2022-001
SIGNIFICANT DEFICIENCY

Deficit Net Position

Criteria: In accordance with North Carolina General Statutes § 159-13, the full amount of any deficit in each fund shall be appropriated.

Condition: The Solid Waste Management Fund is reporting a deficit net position of \$1,754,765. The deficit is primarily attributed to the estimated closure and post-closure costs associated with the County's landfill, which have increased sharply over the last two years as the landfill has reached the limit of its currently approved capacity due to an increase in utilization related to debris from several major hurricane events and bridge replacement projects.

Effect: Monies were spent that had not been appropriated.

Cause: The County did not properly adopt and record budget and budget amendments for the revenues and expenditures for the fund.

Recommendation: The budget should be reviewed and appropriated amendments made during the year.

Views of responsible officials and planned corrective actions: The County agrees with this finding. The County did not realize the magnitude of this adjustment prior to year end, so they did not have time to make a budget amendment to cover this deficit balance. Please refer to the corrective action plan for details.

Finding: 2022-002
SIGNIFICANT DEFICIENCY / NONCOMPLIANCE

Budget Violation

Criteria: In accordance with North Carolina General Statutes § 143C, Budget revisions must be requested and approved prior to any commitment and/or expenditure that would exceed the amount budgeted. Entities should not overspend the authorized budget.

Condition: The County adopts their budget by department. Expenditures exceeded the budgeted in the following departments primarily because budget amendments were not prepared to account for postings required as a result of the implementation of GASB 87: Board of Commissioners, Administration, Information Technology, Human Resources, Soil Conservation Program, Jonesland Park Operations, Tourism, and Health & Medical Services.

Effect: Monies were spent that had not been appropriated.

Granville County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section II - Financial Statement Findings (continued)

Cause: The County did not properly adopt and record budget and budget amendments for the revenues and expenditures for the fund.

Recommendation: The budget should be reviewed and appropriated amendments made during the year.

Views of responsible officials and planned corrective actions: The County agrees with this finding. Finance did not realize that budget amendments were necessary for recording the entire lease balance at inception. Please refer to the corrective action plan for details.

Finding: 2022-003
MATERIAL WEAKNESS

Prior Period Adjustments

Criteria: Management should have a system in place to verify that transactions are recorded in correctly, thereby reducing the likelihood of errors in financial reporting.

Condition: Prior period adjustments were made to the General Fund that increased fund balance by \$809,409. These adjustments were to record the June 2021 local option sales tax receivable, which increased fund balance by \$1,004,593; to record the June 2021 franchise tax distribution receivable, which increased fund balance by \$15,604; to correct prior year balances in accounts receivable which decreased fund balance by \$170,526; to correct Department of Justice balances, which decreased fund balance by \$12,762; to adjust for unallowable PSAP expenditures from prior years, which increased fund balance by \$25,000; and to transfer leave revenue that was recorded in the General fund in previous years that should have been recorded in the solid waste fund, which decreased fund balance by \$52,500. Prior period adjustments were made to the Solid Waste Fund to adjust prior year postclosure balances, which decreased net position by \$2,093,269, and to transfer revenue from the general fund that should have been recorded in the solid waste fund in prior years, which increased net position by \$52,500.

Effect: The County's management and other users of the financial statements do not have accurate information for decisions-making and monitoring of the county's financial position and adherence to laws, regulations, and other requirements. Errors in financial reporting could occur and not be detected.

Cause: The County received information after the prior year audit was complete which required making adjustments in the prior year. The County also did not realize that three months local option sales tax should be accrued at year end instead of two.

Recommendation: The County should review the ledger and financial documents regularly to ensure that necessary adjustments are made timely during the year. If information is required from outside parties, be sure to request this information in time to make an necessary adjustments.

Views of responsible officials and planned corrective actions: The County agrees with this finding. Please refer to the corrective action plan for details.

Granville County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

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: 2022-004 IV-D Cooperation with Child Support

SIGNIFICANT DEFICIENCY

Eligibility

Criteria: In accordance with the Medicaid Manual MA-3365, all Medicaid cases should be evaluated and referred to the Child Support Enforcement Agency (IV-D). 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 determining Medicaid eligibility.

Condition: There was 1 error 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.

Context: We examined 60 from a total of 555,244 Medicaid claims 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 North Carolina Families Accessing Services through Technology (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, 2021-001.

Cause: Human error in reading the Automated Collection and Tracking System (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.

Granville County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

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: 2022-005 Inaccurate Resources Entry

SIGNIFICANT DEFICIENCY

Eligibility

Criteria: In accordance with Medicaid Manual MA-2230, 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 noncountable resources and explained within the documentation.

Condition: There were 2 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 from a total of 555,244 Medicaid claims 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, 2021-002.

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, 2022

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: 2022-006 Inadequate Request for Information

SIGNIFICANT DEFICENCY

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 3 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 from a total of 555,244 Medicaid claims 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, 2021-003.

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.

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, 2022

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: 2022-007 Inaccurate Information Entry

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. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits.

Condition: There were 8 errors discovered during our procedures that inaccurate information was entered when determining eligibility.

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

Context: We examined 60 from a total of 555,244 Medicaid claims 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.

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, 2022

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: 2022-008 Untimely Review of SSI Termination

SIGNIFICANT DEFICIENCY

Eligibility

Criteria: In accordance with the Medicaid Manual MA-3120, the State sends notification to the County when a participant is no longer eligible under Supplemental Security Income (SSI) determination, the County is required to initiate the ex parte review within 5 workdays of the date the termination appears on the SSI Termination Report, and complete the redetermination within 4 months of the month the case appears on the SSI Termination Report and notify the recipient about applicant's ongoing eligibility for Medicaid.

Condition: There was 1 applicant/beneficiary was not reviewed timely and determined to be eligible for Medicaid when their SSI benefits were terminated.

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

Context: We examined 60 from a total of 555,244 Medicaid claims 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: The County did not initiate ex parte review timely, therefore, no eligibility review was completed in the required time period. The lack of follow up and certification lead to applicants receiving Medicaid benefits for which they were not eligible.

Cause: Ineffective communication between departments within the Department of Social Services. One area within DSS received State communications that applicants would no longer be eligible for SSI benefits and the County needed to conduct an application process. This information was not shared with other departments in DSS from which the recipient was also receiving benefits.

Recommendation: Any State communications related to applicants' benefits received by any DSS department should be shared with all areas from which the participant receives benefits. State files should be reviewed internally to ensure all actions have been properly closed and the corrective action has been taken. Workers should be retrained on what process needs to be followed when State communications are received.

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, 2022

Section IV - State Award Findings and Questioned Costs

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

CFDA# 93.778

SIGNIFICANT DEFICENCY: Finding 2022-004, 2022-005, 2022-006, 2022-007, and 2022-008 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, 2022

Section II - Financial Statement Findings

Finding 2022-001

Name of contact person: Steve McNally, Finance Director

Corrective Action: The County will request timely responses from DEQ regarding corrections for postclosure estimates so that necessary adjustments can be made.

Proposed completion date: June 30, 2023

Finding 2022-002

Name of contact person: Steve McNally, Finance Director

Corrective Action: The County will make appropriate budget amendments for the new GASB implementations, provided they are supplied the necessary accounting information needed for the budget amendments in a timely manner from the entity responsible for supplying the information.

Proposed completion date: June 30, 2023

Finding 2022-003

Name of contact person: Steve McNally, Finance Director

Corrective Action: The County will attempt to review the financial documents throughout the year, provided they have the resources to do so; however, the County is sometimes not aware of the corrections warranting prior period adjustments until after the close of the previous year's financial statements.

Proposed completion date: June 30, 2023

Section III - Federal Award Findings and Questioned Costs

Finding 2022-004

IV-D Cooperation with Child Support

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



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, 2022

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

Corrective Action: Error cited was caseworkers not properly sending IV-D referrals to the Child Support office. Family and Children Medicaid Lead Workers, Lisa Kornegay and Sherry Stainback, and the Supervisors Kim Grissom and Sheila Morton, will conduct second-party reviews on caseworkers. The supervisors will go over errors found by second parties during their team monthly meetings. The supervisors will hold individual performance meetings if cited for the same error. Lead Workers and Supervisors will conduct 100% second parties on caseworkers in their probationary period of 6 months unless extended by Supervisors due to performance and 5 applications and redeterminations on all other caseworkers per month. The 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 schedule and hold a meeting to inform Program Administrator, Heather Hayes, each month of the repetitive second-party findings and provide a copy of the individual's performance meeting held with the worker.

Proposed completion date: To ensure that the caseworkers do not repeat these errors, the following action was taken: policy training was held on November 30, 2022, for Family and Children Medicaid section MA-3365.

Finding 2022-005

Inaccurate Resources Entry

Name of contact person: Vanness Taylor, Adult Income Maintenance Supervisor II

Corrective Action: Errors cited were incorrect resources due to inaccurate information being entered into NCFAST. Caseworkers are to review the determinations tab and policy manual to properly ensure that the case is showing correctly. Adult Medicaid Lead workers, Michelle Ogle and Delta Elliott, and Supervisor, Vanness Taylor, will conduct second-party reviews on caseworkers. The supervisor will go over errors found by second parties during their team monthly meetings. The supervisor will hold individual performance meetings if cited for the same error. Lead Workers and Supervisor will conduct 100% second parties on caseworkers in their probationary period of 6 months unless extended by the Supervisor due to performance and 5 applications and redeterminations on all other caseworkers per month. The 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. The Supervisor will schedule and hold a meeting to inform Program Administrator, Heather Hayes, each month of the repetitive second-party findings and provide a copy of the individual's performance meeting held with the worker.

Proposed completion date: To ensure that the caseworkers do not repeat these errors, the following action was taken: policy training was held on Adult Medicaid section MA-2230 on November 29, 2022.

Finding 2022-006

Inadequate Request for Information

Name of contact person: Vanness Taylor, Adult Income Maintenance Supervisor II



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, 2022

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

Corrective Action: Errors cited were inadequate information was requested at applications and/or redeterminations. Caseworkers did not verify with Electronic Source prior to requesting information from clients. Caseworkers are to run online data, the work number, and AVS and review the policy manual to properly ensure that the case is evaluated correctly per timely processing standards set by the State Medicaid Policies. Adult Medicaid Lead workers, Michelle Ogle and Delta Elliott, and Supervisor, Vanness Taylor, will conduct second-party reviews on caseworkers. The supervisor will go over errors found by second parties during their team monthly meetings. The supervisor will hold individual performance meetings if cited for the same error. Lead Workers and Supervisor will conduct 100% second parties on caseworkers in their probationary period of 6 months unless extended by the Supervisor due to performance and 5 applications and redeterminations on all other caseworkers per month. The 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. The Supervisor will schedule and hold a meeting to inform the Program Administrator, Heather Hayes, each month of the repetitive second-party findings and provide a copy of the individual's performance meeting held with the worker.

Proposed completion date: To ensure that the caseworkers do not repeat these errors, the following action was taken: policy training was held on Adult Medicaid section MA-2300 on November 29, 2022.

Finding 2022-007

Inaccurate Information Entry

Name of contact person: Kim Grissom, Income Maintenance Supervisor II, Shelia Morton, Income Maintenance Supervisor II, and Vanness Taylor, Adult Income Maintenance Supervisor II

Corrective Action: Errors cited were incorrect income and incorrect household composition due to inaccurate information being entered into NCFAST. Caseworkers are to review the determinations tab and policy manual to properly ensure that the case is showing correctly. Adult Medicaid Lead workers, Michelle Ogle and Delta Elliott, and Supervisor, Vanness Taylor, will conduct second-party reviews on caseworkers. Family and Children Medicaid Lead Workers, Lisa Kornegay and Sherry Stainback, and the Supervisors Kim Grissom and Sheila Morton, will conduct second-party reviews on caseworkers. Both Adult Medicaid and Family and Children Medicaid supervisors will go over errors found by second parties during their team monthly meetings. The supervisors will hold individual performance meetings if cited for the same error. Lead Workers and Supervisors will conduct 100% second parties on caseworkers in their probationary period of 6 months unless extended by Supervisors due to performance and 5 applications and redeterminations on all other caseworkers per month. The 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 schedule and hold a meeting to inform Program Administrator, Heather Hayes, each month of the repetitive second-party findings and provide a copy of the individual's performance meeting held with the worker.



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, 2022

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

Proposed completion date: To ensure that the caseworkers do not repeat these errors, the following action was taken: policy training was held on Adult Medicaid section MA-2250 on November 29, 2022, and for Family and Children Medicaid sections MA-3305, MA-3310, and MA-3300 on November 30, 2022.

Finding 2022-008

Untimely Review of SSI Termination

Name of contact person: Vanness Taylor, Adult Income Maintenance Supervisor II

Corrective Action: Error cited was untimely SSI exparte due to termination of SSI benefits. Caseworkers are to review the OVS (SDX) and policy manual to properly ensure that the case is evaluated and showing correctly per timely processing standards set by the State Medicaid Policies. Adult Medicaid Lead workers, Michelle Ogle and Delta Elliott, and Supervisor, Vanness Taylor, will conduct second-party reviews on caseworkers. The supervisor will go over errors found by second parties during their team monthly meetings. The supervisor will hold individual performance meetings if cited for the same error. Lead Workers and Supervisor will conduct 100% second parties on caseworkers in their probationary period of 6 months unless extended by the Supervisor due to performance and 5 applications and redeterminations on all other caseworkers per month. The 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. The Supervisor will schedule and hold a meeting to inform Program Administrator, Heather Hayes, each month of the repetitive second-party findings and provide a copy of the individual's performance meeting held with the worker.

Proposed completion date: To ensure that the caseworkers do not repeat these errors, the following action was taken: policy training was held on Adult Medicaid section MA-2352 on November 29, 2022.

Section IV - State Award Findings and Questioned Costs

Corrective actions for Finding 2022-004, 2022-005, 2022-006, 2022-007, and 2022-008 also apply to State Award findings.

Granville County, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2022

Finding: 2021-001

Status: This finding is not corrected, repeated as 2022-004.

Finding: 2021-002

Status: This finding is not corrected, repeated as 2022-005.

Finding: 2021-003

Status: This finding is not corrected, repeated as 2022-006.

GRANVILLE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
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		\$ 693,076	\$ -	\$ -	\$ 693,076
FNS - ARPA	10.561		44,077	-	-	-
FNS - CAA	10.561		16,188	-	-	-
Total U.S. Department of Agriculture			753,341	-	-	693,076
<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	1,750	-	-	-
Total U.S. Department of Housing and Urban Development			1,750	-	-	-
<u>U.S. Dept of Interior</u>						
Passed-through N.C. Department of Natural and Cultural Resources						
Division of Parks and Recreation						
Land and Water Conservation Fund	15.916		250,000	-	-	-
Total U.S. Dept of Interior			250,000	-	-	-
<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 51001.7.5.3	119,450	14,931	-	14,931
Total U.S. Dept. of Transportation			119,450	14,931	-	14,931
<u>U.S. Institute of Museum and Library Services</u>						
Passed-through State Library of North Carolina						
LSTA EZ Grant	45.310		3,366	-	-	-
LSTA ARPA Grant	45.310		17,775	-	-	-
Total LSTA			21,141	-	-	-
Total U.S. Institute of Museum and Library Services			21,141	-	-	-
<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		3,173	212	-	-
<u>Aging Cluster:</u>						
Special Programs for the Aging - Title III B						
Grants for Supportive Services and Senior Centers	93.044		101,469	5,969	-	-
Special Programs for the Aging - Title III C						
Nutrition Services	93.045		50,562	2,974	-	-
Family First Special Programs for the Aging - Title III C	93.045		892	-	-	-
Nutrition Services Incentive Program	93.053		32,197	-	-	-
Total Aging Cluster			185,120	8,943	-	-
Passed through NC Department of Health & Human Services						
Division of Social Services:						
Temporary Assistance for Needy Families Cluster						
TANF - Work First	93.558		388,432	-	-	516,714
Total TANF Cluster			388,432	-	-	516,714
<u>Foster Care and Adoption Cluster (Note 4)</u>						
Foster Care - Title IV-E	93.658		227,599	29,200	-	148,879
Foster Care	N/A		85,681	-	-	-
Adoption Assistance	93.659		10,717	-	-	10,663
IV-E Adoption	N/A		-	-	-	-
Total Foster Care and Adoption Cluster (Note 4)			323,997	29,200	-	159,542
Child Support Enforcement	93.563		641,893	-	-	330,673
Family Preservation	93.556		15,476	-	-	-

GRANVILLE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Low-Income Home Energy Assistance:						
Administration	93.568		36,466	-	-	-
Energy Assistance Payments	93.568		245,601	-	-	-
Crisis Intervention Program	93.568		132,886	-	-	-
LIEAP ARPA	93.568		367,948	-	-	-
LIEAP ARPA ADM	93.568		3,246	-	-	-
LIHWAP ADM	93.568		18,894	-	-	-
LIHWAP CAA	93.568		64,935	-	-	-
COVID-19 LIEAP Admin	93.568		12,244	-	-	-
Total Low-Income Home Energy Assistance			882,220	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program:						
- Permanency Planning - Families for Kids	93.645		19,326	-	-	6,442
Chafee Foster Care Independence Program	93.674		8,287	1,429	-	-
SSBG - Other Service and Training	93.667		200,807	-	-	66,935
Division of Aging and Adult Services:						
Social Service Block Grant	93.667		43,350	1,239	-	-
Division of Social Services:						
SSBG - State In Home Service Fund	93.667		10,332	-	-	1,476
SSBG - State Adult Day Care	93.667		30,695	23,786	-	3,666
Total Social Service Block Grant			285,184	25,025	-	72,077
Division of Child Development and Early Education:						
Subsidized Child Care						
<u>Child Care Development Fund Cluster:</u>						
Division of Social Services:						
Child Care Development Fund-Administration	93.596		92,543	-	-	-
Total Subsidized Child Care			92,543	-	-	-
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		1,804,201	4,757	-	666,472
Division of Social Services:						
Administration:						
State Children's Insurance Program - N.C. Health Choice	93.767		29,783	1,204	-	5,483
Division of Rural Health						
Small Rural Hospital Improvement Grant	93.779		10,159	-	-	-
Total U.S. Dept. of Health and Human Services			4,689,794	70,770	-	1,757,403
<u>U. S. Department of Homeland Security</u>						
Passed-through N.C. Dept. of Public Safety:						
Division of Emergency Management:						
COVID-19 Disaster Grant - Public Assistance	97.036		171,159	-	-	-
Emergency Management Performance Grant	97.042		63,049	-	-	-
Homeland Security Grant	97.067		60,000	-	-	-
Total U. S. Department of Homeland Security			294,208	-	-	-
Total Federal Awards			\$ 6,129,684	\$ 85,701	\$ -	\$ 2,465,410
State Awards:						
<u>N.C. Dept. of Administration</u>						
Veterans Service			\$ -	\$ 2,109	\$ -	\$ -
Total N.C. Dept. of Administration			-	2,109	-	-
<u>N.C. Dept of Natural and Cultural Resources</u>						
Division of Parks and Recreation						
Parks and Recreation Trust Fund			-	30,000	-	-
Total of N.C. Dept of Agriculture and Consumer Services			-	30,000	-	-

GRANVILLE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
<u>N.C. Dept. of Cultural and Natural Resources</u>						
Division of State Library						
State Aid to Public Libraries			-	109,204	-	-
Total N.C. Dept. of Cultural and Natural Resources			-	109,204	-	-
<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 - In-Home Services			-	156,299	-	-
State Appropriation - Home Delivered Meals			-	94,317	-	-
State Appropriation			-	52,372	-	-
Total Division of Aging and Adult Services			-	302,988	-	-
Division of Social Services						
ST Child Welfare/CPS/CS LD			-	95,798	-	-
County Funded Programs			-	-	-	546,541
DCD Smart Start			-	17,167	-	-
Energy Assistance			-	3,631	-	-
Non-Allocating Reimbursable			-	-	-	3,132
Work First Non Reimbursable			-	-	-	178,997
IV-B EFT CHAF INDPE LIV			-	74,283	-	-
SFHF Maximization			-	2,585	-	2,585
State Foster Home			-	32,541	-	28,105
Total Division of Social Service			-	226,005	-	759,360
Total N. C. Department of Health and Human Services			-	528,993	-	759,360
<u>N.C. Dept. of Public Instruction</u>						
Public School Building Capital Fund			-	567,385	-	-
Total N.C. Dept. of Public Instruction			-	567,385	-	-
<u>N.C. Department of Environmental Quality</u>						
Electronic Management			-	6,217	-	-
Scrap Tire Fund			-	-	-	-
Total N.C. Department of Environmental Quality			-	6,217	-	-
<u>N.C. Dept. of Public Safety</u>						
Sheriff Assistance Grant			-	84,270	-	-
Tier II Grant			-	989	-	-
Juvenile Crime Prevention Programs						
JCPC Administration			-	5,410	-	-
Youth Village			-	162,374	162,374	-
Boys and Girls Club			-	30,684	30,684	-
Trails to Success			-	37,964	37,964	-
Total Juvenile Crime Prevention Programs			-	236,432	231,022	-
Total N. C. Department of Public Safety			-	321,691	231,022	-
<u>N.C. Dept. of Transportation</u>						
Rural Operating Assistance Program (ROAP) Cluster						
ROAP EDTAP		DOT-16CL 36220.10.10.1	-	39,582	-	-
ROAP RGP		DOT-16CL 36228.22.10.1	-	101,671	-	-
ROAP EMPLOYMENT		DOT-16CL 36236.11.9.1	-	8,000	-	-
Total ROAP Cluster			-	149,253	-	-
Total N.C. Dept. of Transportation			-	149,253	-	-
Total State Awards			\$ -	\$ 1,714,852	\$ 231,022	\$ 759,360
Total Federal and State Awards			\$ 6,129,684	\$ 1,800,553	\$ 231,022	\$ 3,224,770

GRANVILLE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
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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, 2022. 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 Adoption.

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	\$ 910,367	\$ -
Supplemental Nutrition Assistance Program	10.551	24,271,086	-
Medical Assistance Program	93.778	77,411,459	29,035,122
Children's Health Insurance Program	93.767	1,321,513	293,854
IV-E Adopt & Vendor	93.659	259,850	55,225
TANF Payments & Penalties	93.558	220,988	-
CWS Adopt, Vendor, Guard	N/A	-	82,298
SC/SA Domiciliary Care	N/A	-	187,555