

Granville County

North Carolina

Annual Comprehensive Financial Report

For the Year Ended June 30, 2023



FINANCE DEPARTMENT
STEVE MCNALLY
FINANCE DIRECTOR

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GRANVILLE COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2023
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County Of Granville, North Carolina

Post Office Box 1286, Oxford, North Carolina 27565

County Administration
(919) 693-5240

January 16, 2024

**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, 2023, reflects the achievement of that goal. Each year this document is prepared to provide you with details about how the County receives, spends and accounts for its money, as well as key indicators of its financial strength.

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

The County's financial statements have been audited by Thompson, Price, Scott, Adams & Co, P.A. The objective of the independent audit is to provide reasonable assurance that the financial statements of Granville County for the fiscal year ended June 30, 2023 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, 2023 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

As required by GAAP, the Management Discussion and Analysis (MD&A) is presented in narrative form to introduce the basic financial statements and to provide an overview and analysis of the financial operations for the fiscal year ended June 30, 2021. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A is located immediately following the report of the independent auditor.

Financial Reporting Entity

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

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

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

Profile of Granville County

Granville County is a county nestled between the Virginia State line and the Raleigh-Durham-Chapel Hill metropolitan area. The local economy has shifted from traditional industries such as tobacco production and textiles to a more diverse industrial and service-based economy. This diversity has resulted in lower unemployment figures than some of the surrounding rural counties which have not transitioned as well. Granville County is proud to be home to globally competitive companies like Revlon, Bridgestone Commercial Solutions, N T Techno, Certainteed, Altec, Shalag, and many others. These companies provide unique and interesting employment opportunities and are important contributors to the County's tax base. As a result of the diversity of industries and the outstanding quality of life in our community, Granville County is poised to prosper.

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

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

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

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

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

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

The annual budget provides the foundation for the County's financial planning and control. The budget is a legally adopted ordinance that is developed with input from citizens, county departments, and various agencies in the County. The Manager uses funding requests from all departments and agencies to develop a proposed budget that is presented to the Board for review.

Factors Affecting Economic Conditions

The unemployment rate has mirrored that of the State and has steadily improved since the recession of the late 2000's. However, the COVID-19 pandemic of 2020 resulted in limitations in business activity and an overall slowdown of the economy, which lead to increased unemployment throughout the State, as well as in Granville County. However, the unemployment rate for the State, as well as Granville County, has rebounded in FY 2023. As of June, 2023, the County is experiencing an unemployment rate of 2.9%, lower than the state average of 3.3%, according to November 2023 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.

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. 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, 2022. This was the twenty fourth 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.

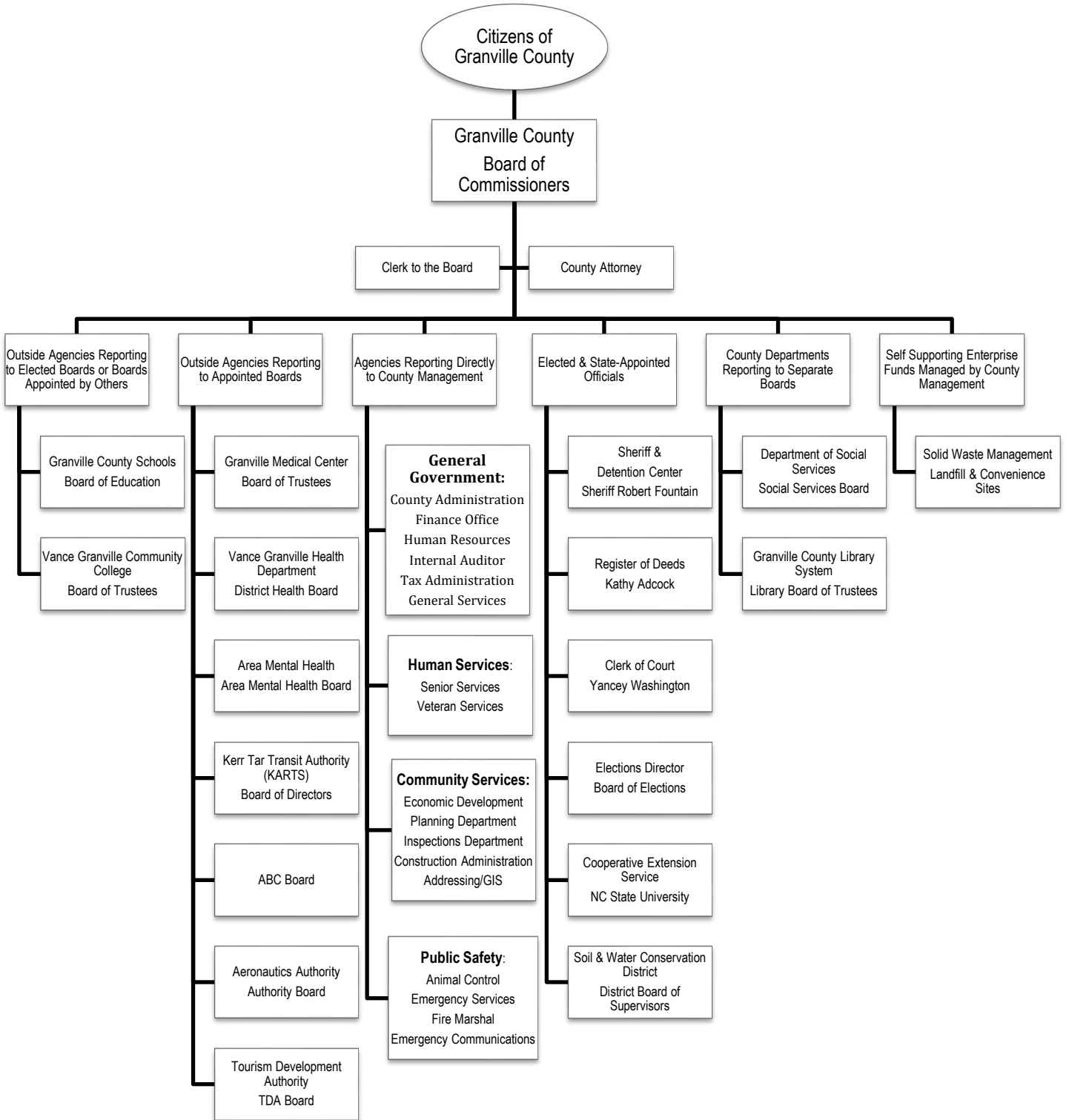
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 black ink that reads "Steve McNally". The signature is written in a cursive style and is placed on a light green rectangular background.

Steve McNally
Finance Director



GRANVILLE COUNTY, NORTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2023

**Board of County
Commissioners**

Russ May, Chairperson
Timothy Karan, Vice Chairperson
Zelodis Jay
Rob Williford
Sue Hinman
Tony Cozart
Jimmy Gooch

Debra A. Weary, Clerk to the Board

County Officials

Drew Cummings	County Manager
Korena Weichel	Assistant County Manager
Steve McNally	Finance Director
Jennifer Griffin	Tax Administrator
Kathy M. Taylor	Register of Deeds
Robert Fountain	Sheriff (interim)
M. Scott Phillips	Director of Development Services
Tonya C. Burnette	Elections Director
Jason A. Falls	Director of Environmental Programs
Dana Mustain-Lyles	Director of Social Services
AJ Spiess	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, 2022

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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

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Telephone (910) 642-2109
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**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, 2023, 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, 2023, 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 98.997 percent, 97.795 percent, and 99.584 percent of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units as of June 30, 2023, 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 responsible 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 12, the Local Government Employees' Retirement System schedules of the County's Proportionate Share of Total Pension Liability and County Contributions, pages 81 and 82, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and County Contributions, pages 83 and 84, 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 85 and 86, and the Other Postemployment Benefits schedules of Changes in the Net OPEB Liability and Related Ratios, page 87, 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 16, 2024 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 16, 2024

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, 2023. 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.

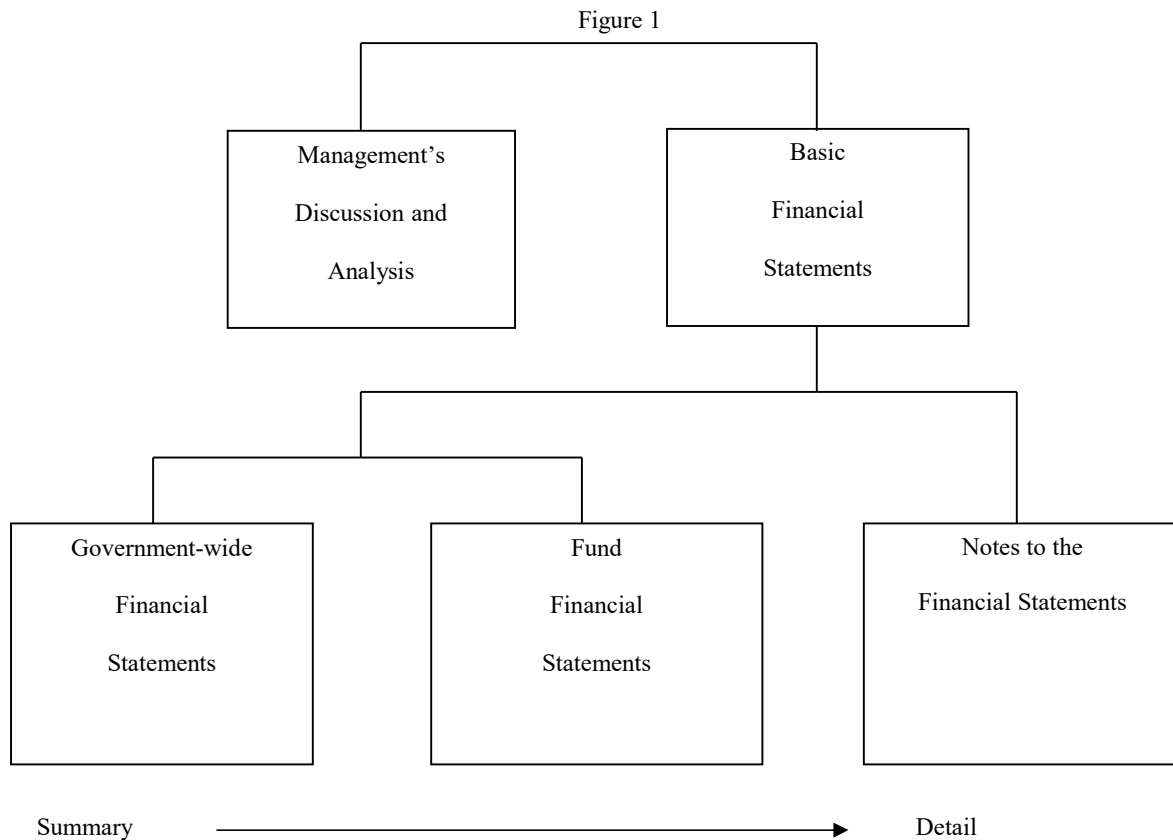
Financial Highlights

- The cash and cash equivalents (unrestricted) of the total primary government on the Statement of Net Position is \$64,002,218 which accounts for 39.69% of total primary government assets.
- The liabilities due in more than one year of \$110,361,082 account for 88.70% of total primary government liabilities.
- At the end of the current fiscal year, Granville County's governmental funds reported combined ending fund balances of \$58,881,595, after a net increase of \$4,993,292. Approximately thirty six percent (37.44%) of this total amount or \$22,043,325 is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$23,791,078, or 26.84 percent of total general fund expenditures for the fiscal year.
- Granville County's debt service for fiscal year 2023 accounts for 10.59% 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 \$39,112,209 as of June 30, 2023. The County’s net position increased by \$17,489,140 for that same time period. The County also recorded a prior period adjustment which resulted in a net decrease in net position of \$13,188. \$21,986,910 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. \$56,577,427 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 \$(39,452,128) 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	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 66,485,967	\$ 66,428,541	\$ 7,167,953	\$ 4,599,068	\$ 73,653,920	\$ 71,027,609
Capital assets	77,955,767	77,521,458	9,676,024	5,460,253	87,631,791	82,981,711
Total assets	144,441,734	143,949,999	16,843,977	10,059,321	161,285,711	154,009,320
Total deferred outflows of	11,840,366	10,228,721	157,512	127,374	11,997,878	10,356,095
Long-term liabilities outstanding	108,907,967	114,780,899	10,059,049	9,475,414	118,967,016	124,256,313
Other liabilities	5,274,998	9,175,474	184,426	552,059	5,459,424	9,727,533
Total liabilities	114,182,965	123,956,373	10,243,475	10,027,473	124,426,440	133,983,846
Total deferred inflows of resources	8,338,591	7,289,508	1,406,349	1,455,804	9,744,940	8,745,312
Net position:						
Net investment in capital assets	46,907,740	43,120,085	9,669,687	5,460,693	56,577,427	48,580,778
Restricted	21,986,910	14,785,285	-	-	21,986,910	14,785,285
Unrestricted	(35,134,106)	(34,972,531)	(4,318,022)	(6,757,275)	(39,452,128)	(41,729,806)
Total net position	\$ 33,760,544	\$ 22,932,839	\$ 5,351,665	\$ (1,296,582)	\$ 39,112,209	\$ 21,636,257

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

- Property tax and other intergovernmental taxes increased \$5,184,049 over the previous year, indicative of an improving State economy.
- Repayment of debt obligations

Granville County's Changes in Net Position

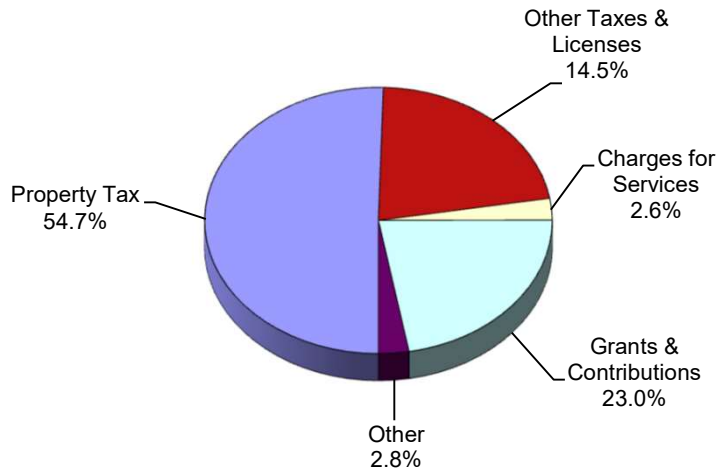
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 2,374,090	\$ 2,628,516	\$ 3,542,265	\$ 3,121,750	\$ 5,916,355	\$ 5,750,266
Operating grants and contributions	19,634,887	10,875,464	-	-	19,634,887	10,875,464
Capital grants and contributions	449,481	847,385	-	-	449,481	847,385
General revenues:						
Property taxes	45,621,457	43,896,725	-	-	45,621,457	43,896,725
Other taxes	19,783,642	16,324,325	-	-	19,783,642	16,324,325
Other	2,552,535	606,338	452,910	405,606	3,005,445	1,011,944
Total revenues	90,416,092	75,178,753	3,995,175	3,527,356	94,411,267	78,706,109
Expenses:						
General government	9,723,242	6,794,962	-	-	9,723,242	6,794,962
Public safety	17,735,126	17,797,042	-	-	17,735,126	17,797,042
Economic and physical development	484,299	490,477	-	-	484,299	490,477
Human services	14,582,269	11,179,594	-	-	14,582,269	11,179,594
Community services	6,123,309	6,670,544	-	-	6,123,309	6,670,544
Education	21,457,409	20,096,041	-	-	21,457,409	20,096,041
Interest on long-term debt	2,777,295	3,082,417	-	-	2,777,295	3,082,417
Landfill	-	-	3,706,773	3,152,584	3,706,773	3,152,584
Other	-	-	332,405	360,368	332,405	360,368
Total expenses	72,882,949	66,111,077	4,039,178	3,512,952	76,922,127	69,624,029
Increase in net position before transfers and special items	17,533,143	9,067,676	(44,003)	14,404	17,489,140	9,082,080
Transfers and special items	(6,692,250)	-	6,692,250	-	-	-
Change in net position	10,840,893	9,067,676	6,648,247	14,404	17,489,140	9,082,080
Net position, beginning	22,932,839	13,055,754	(1,296,582)	729,783	21,636,257	13,785,537
Prior Period Adjustment / Restatement	(13,188)	809,409	-	(2,040,769)	(13,188)	(1,231,360)
Net position, beginning, restated	22,919,651	13,865,163	(1,296,582)	(1,310,986)	21,623,069	12,554,177
Net position, ending	\$ 33,760,544	\$ 22,932,839	\$ 5,351,665	\$ (1,296,582)	\$ 39,112,209	\$ 21,636,257

Governmental activities. Governmental activities increased the County’s net position by \$10,840,893 over the prior year. Key elements of this increase are as follows:

- Sales tax increased \$1.3m from the previous year, indicative of an improving State economy.
- Property tax collections increased by \$1.7 million.
- The County had several ongoing construction projects that resulted in the capitalization (and resulting reduction) of expenses.

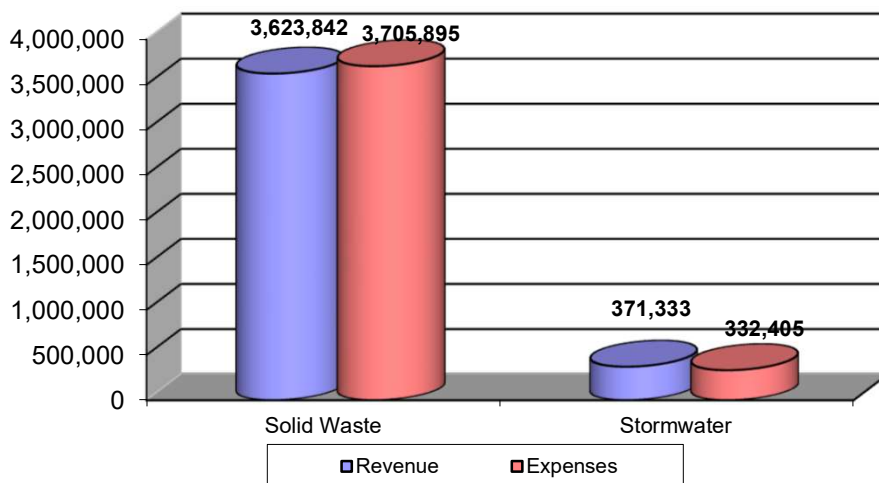
**Governmental Activities Revenue Sources
For Fiscal Year 2023**



Business-type activities. Business-type activities increased Granville County’s net position by \$6,648,247 over the prior year. Key elements of this increase are as follows:

- Landfill operation costs decreased \$71,816 from the previous year.

**Fiscal Year 2022-2023
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 \$23,791,078 while total fund balance reached \$49,134,592. The remainder of fund balance, \$25,343,514 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 26.84 percent of total General Fund expenditures, while total fund balance represents 55.43 percent of that same amount.

At June 30, 2023, the governmental funds of Granville County reported a combined fund balance of \$58,881,595 a 9.26 percent increase from last year. This increase is due primarily to the increases in the Non-Major Governmentals Funds.

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 \$17,562,140. 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 \$2,902,514, or 19.75%. The County had taken a conservative approach in budgeting Sales Tax as a result of COVID. The Property Tax revenues increased \$1,612,011 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 \$4,189,193 or 5.40%.

Proprietary Funds. Granville County's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Solid Waste Fund equaled (\$4,814,343). The total net position for all proprietary funds is a balance of \$5,350,946. The total change in net position for the proprietary funds was an increase of \$6,649,037.

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 2022-2023 activity resulted in a decrease in net position of \$117,869.

Capital Asset and Debt Administration

Capital Assets. Granville County's capital assets for its governmental and business-type activities as of June 30, 2023 totals \$87,631,791 (net of accumulated depreciation & amortization). These assets include land, buildings, machinery and equipment, park facilities, system improvements, vehicles, and right to use assets.

Major capital asset transactions during the year include:

- Completion of the Stovall Center project
- Completion of the DSS Satellite Office Project

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

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 8,469,559	\$ 8,291,666	\$ 1,020,695	\$ 1,020,695	\$ 9,490,254	\$ 9,312,361
Buildings	45,259,418	45,940,064	222,182	229,989	45,481,600	46,170,053
Improvements	14,406,379	14,808,249	8,341,396	3,592,284	22,747,775	18,400,533
Machinery and Equipment	1,567,317	1,370,557	-	-	1,567,317	1,370,557
Intangible Assets	5,496,000	5,667,750	-	-	5,496,000	5,667,750
Fixtures and Equipment	-	-	84,563	92,405	84,563	92,405
Construction in progress	1,149,903	1,443,172	-	-	1,149,903	1,443,172
Right to use assets, net	1,607,191	1,744,050	7,188	12,544	1,614,379	1,756,594
Total	\$ 77,955,767	\$ 79,265,508	\$ 9,676,024	\$ 4,947,917	\$ 87,631,791	\$ 84,213,425

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 2023, Granville County had total bonded debt outstanding of \$40,019,000, 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	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 40,019,000	\$ 45,821,000	\$ -	\$ -	\$ 40,019,000	\$ 45,821,000
Plus: Premiums on issuance	3,785,274	4,083,953	-	-	3,785,274	4,083,953
Total General Obligation Bonds	43,804,274	49,904,953	-	-	43,804,274	49,904,953
Financing Agreements	-	-	-	-	-	-
Lease liabilities	1,327,491	1,691,893	6,337	12,104	1,333,828	1,703,997
Direct Placement Installment	25,705,555	27,509,698	-	-	25,705,555	27,509,698
Certificates of participation	5,215,000	5,215,000	-	-	5,215,000	5,215,000
Total Debt	\$ 76,052,320	\$ 84,321,544	\$ 6,337	\$ 12,104	\$ 76,058,657	\$ 84,333,648

Granville County's total general obligation debt decreased by \$5,802,000 (12.66 percent) during fiscal year 2022-2023 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 \$359,506,628, 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 2023 AccessNC report, the County is experiencing an unemployment rate of 2.9%, lower than the state average of 3.3%.
- Per Capita annual income in Granville County is approximately \$53,112.
- 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, 2024

Governmental Activities

The tax base is projected to provide revenues of \$46,094,905 when calculated with the current collection percentage rate. The total projected assessed valuation for the County is \$5,499,510,178.

Budgeted expenditures for fiscal year 2023-2024 in the General Fund reflect an increase from the previous original fiscal year budget of 2.0%. Major drivers for the increase include increased pay (7% to 20%) for Sheriff and Detention employees, across-the-board COLA salary increases and 401 k contribution increases for all other employees, as well as the addition of nine new full time positions.

The fiscal year 2023-2024 budget appropriates \$3,601,376 of available fund balance to balance the General Fund budget. Total revenues, excluding appropriated fund balance, reflect a 1.9% increase from the previous year original budget. Budgeted revenue increases include property tax (up \$1.782 million), sales tax (up \$3.6 million) and increased restricted revenue (Up \$0.422 million).

Business Type Activities

The Storm Water Fund budget for FY 2024 increase \$20,000 (5.8%) due to higher operational costs.

The Solid Waste Fund budget decreased by \$3.2 million due to the absence of the previous year's \$4.0 million landfill cell construction funding, netted against a \$750,000 increase in operating expense in the Landfill fund. The Convenience Site fund budget decreased by \$65,000.

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

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Granville County, North Carolina
Statement of Net Position
June 30, 2023

	Primary Government			Discretely Presented Component Units				
	Governmental Activities	Business-type Activities	Total	Granville Health System	Granville County ABC Board	Granville County Tourism Development Authority	South Granville Memorial Gardens	Total Reporting Unit
ASSETS								
Cash and cash equivalents	\$ 47,761,845	\$ 6,046,478	\$ 53,808,323	\$ 26,937,285	\$ 2,048,186	\$ 530,982	\$ 180,751	\$ 83,505,527
Taxes receivable (net)	602,570	-	602,570	-	-	-	-	602,570
Accrued interest receivable on taxes	59,792	-	59,792	-	-	-	-	59,792
Accounts receivables (net)	5,516,167	255,179	5,771,346	10,831,978	-	-	31,686	16,635,010
Lease receivable, current	67,354	17,644	84,998	231,675	-	-	-	316,673
Due from primary governments	-	-	-	-	-	28,845	-	28,845
Due from related party	-	-	-	927,335	-	-	-	927,335
Inventories	-	-	-	2,092,252	945,025	-	1,635	3,038,912
Prepaid items	6,200	-	6,200	674,642	9,769	-	-	690,611
Internal balances	483,129	(483,129)	-	-	-	-	-	-
Restricted assets:								
Cash and cash equivalents	10,193,895	-	10,193,895	-	-	-	100,000	10,293,895
Lease receivable, noncurrent	1,734,465	1,331,781	3,066,246	300,023	-	-	-	3,366,269
Assets whose use is limited	-	-	-	14,907,602	-	-	-	14,907,602
Net pension asset	60,550	-	60,550	-	-	-	-	60,550
Capital assets:								
Land, improvements, and construction in	9,619,462	1,020,695	10,640,157	2,297,907	338,774	-	39,534	13,316,372
Other capital assets, net of depreciation	66,729,114	8,648,141	75,377,255	29,392,706	1,200,993	-	40,649	106,011,603
Right to use leased assets, net	1,607,191	7,188	1,614,379	1,034,698	-	-	-	2,649,077
Total capital assets	77,955,767	9,676,024	87,631,791	32,725,311	1,539,767	-	80,183	121,977,052
Total assets	144,441,734	16,843,977	161,285,711	89,628,103	4,542,747	559,827	394,255	256,410,643
DEFERRED OUTFLOWS OF RESOURCES	11,840,366	157,512	11,997,878	10,281,686	198,296	-	-	22,477,860
LIABILITIES								
Accounts payable and accrued expenses	2,090,986	184,426	2,275,412	7,919,685	905,306	1,985	2,073	11,104,461
Accrued interest payable	556,952	-	556,952	-	-	-	-	556,952
Estimated third party payor settlements, Provider Relief Funds	-	-	-	2,113,187	-	-	-	2,113,187
Due to component units	274,536	-	274,536	-	-	-	-	274,536
Unearned grant revenues	2,352,524	-	2,352,524	9,994,139	-	-	-	12,346,663
Long-term liabilities:								
Due within one year:								
Bonds payable	5,945,679	-	5,945,679	-	-	-	-	5,945,679
Notes and COPS payable	-	-	-	832,962	-	-	-	832,962
Lease Liabilities, SBITA, & Installment Purchases	2,263,430	5,811	2,269,241	341,367	-	-	-	2,610,608
Compensated absences	383,299	7,715	391,014	-	-	-	-	391,014
Due in more than one year:								
Bonds payable	37,858,595	-	37,858,595	-	-	-	-	37,858,595
Notes and COPS payable	5,215,000	-	5,215,000	16,283,431	-	-	-	21,498,431
Lease Liabilities, SBITA, & Installment Purchases	24,927,997	526	24,928,523	725,592	-	-	-	25,654,115
Accrued landfill closure and postclosure costs	-	9,620,696	9,620,696	-	-	-	-	9,620,696
Compensated absences payable	1,149,896	23,145	1,173,041	2,871,158	-	-	-	4,044,199
Total OPEB Liability	17,219,960	230,344	17,450,304	-	-	-	-	17,450,304
Total pension liability - LERS	11,289,185	170,812	11,459,997	19,211,319	177,705	-	-	30,849,021
Total pension liability - LEOSSA	2,654,926	-	2,654,926	-	455,851	-	-	3,110,777
Total long-term liabilities	108,907,967	10,059,049	118,967,016	40,265,829	633,556	-	-	159,866,401
Total liabilities	114,182,965	10,243,475	124,426,440	60,292,840	1,538,862	1,985	2,073	186,262,200

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

Granville County, North Carolina
Statement of Net Position
June 30, 2023

	Primary Government			Discretely Presented Component Units				Total Reporting Unit
	Governmental Activities	Business-type Activities	Total	Granville Health System	Granville County ABC Board	Granville County Tourism Development Authority	South Granville Memorial Gardens	
DEFERRED INFLOWS OF RESOURCES	8,338,591	1,406,349	9,744,940	631,270	80,164	-	600	712,034
NET POSITION								
Net investment in capital assets	46,907,740	9,669,687	56,577,427	14,541,959	1,539,767	-	80,183	72,739,336
Restricted for:								
Stabilization by State Statute	6,210,550	-	6,210,550	-	-	28,845	31,686	6,271,081
General Government	5,300,775	-	5,300,775	-	-	-	-	5,300,775
Register of Deeds	112,665	-	112,665	-	-	-	-	112,665
Human Services	1,644,513	-	1,644,513	654,137	-	-	-	2,298,650
Education	6,238,225	-	6,238,225	-	-	-	-	6,238,225
Community Services	989,344	-	989,344	-	-	-	-	989,344
Public Safety	1,490,838	-	1,490,838	-	-	-	-	1,490,838
Working Capital	-	-	-	-	197,797	-	-	197,797
Cemetery Perpetual Care and Maintenance	-	-	-	-	-	-	100,000	100,000
Tourism Related Capital Development	-	-	-	-	-	341,031	-	341,031
Unrestricted (deficit)	(35,134,106)	(4,318,022)	(39,452,128)	23,789,583	1,384,453	187,966	179,713	(13,910,413)
Total net position	\$ <u>33,760,544</u>	\$ <u>5,351,665</u>	\$ <u>39,112,209</u>	\$ <u>38,985,679</u>	\$ <u>3,122,017</u>	\$ <u>557,842</u>	\$ <u>391,582</u>	\$ <u>82,169,329</u>

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

Granville County, North Carolina
Statement of Activities
For the Year Ended June 30, 2023

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				Total Reporting Unit
					Governmental Activities	Business-type Activities	Total	Granville Health System	Granville County ABC Board	Granville County Tourism Development Authority	South Granville Memorial Gardens	
Primary government:												
Governmental Activities:												
General government	\$ 9,723,242	\$ 487,211	\$ 9,387,820	\$ -	\$ 151,789	\$ -	\$ 151,789	\$ -	\$ -	\$ -	\$ -	\$ 151,789
Public safety	17,735,126	1,297,289	1,846,292	-	(14,591,545)	-	(14,591,545)	-	-	-	-	(14,591,545)
Economic and physical development	484,299	10,703	23,232	-	(450,364)	-	(450,364)	-	-	-	-	(450,364)
Human services	14,582,269	19,265	7,545,133	-	(7,017,871)	-	(7,017,871)	-	-	-	-	(7,017,871)
Community services	6,123,309	559,622	703,722	-	(4,859,965)	-	(4,859,965)	-	-	-	-	(4,859,965)
Education	21,457,409	-	128,688	449,481	(20,879,240)	-	(20,879,240)	-	-	-	-	(20,879,240)
Interest on long-term debt	2,777,295	-	-	-	(2,777,295)	-	(2,777,295)	-	-	-	-	(2,777,295)
Total governmental activities	<u>72,882,949</u>	<u>2,374,090</u>	<u>19,634,887</u>	<u>449,481</u>	<u>(50,424,491)</u>	<u>-</u>	<u>(50,424,491)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,424,491)</u>
Business-type activities:												
Solid Waste	3,706,773	3,268,651	-	-	-	(438,122)	(438,122)	-	-	-	-	(438,122)
Stormwater	332,405	273,614	-	-	-	(58,791)	(58,791)	-	-	-	-	(58,791)
Total business-type activities	<u>4,039,178</u>	<u>3,542,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(496,913)</u>	<u>(496,913)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(496,913)</u>
Total primary government	<u>\$ 76,922,127</u>	<u>\$ 5,916,355</u>	<u>\$ 19,634,887</u>	<u>\$ 449,481</u>	<u>(50,424,491)</u>	<u>(496,913)</u>	<u>(50,921,404)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,921,404)</u>
Component Units:												
Granville Health System	\$ 88,919,609	\$ 87,643,552	\$ 3,417,585	\$ -	-	-	-	2,141,528	-	-	-	2,141,528
Granville County ABC Board	6,325,799	6,656,251	-	-	-	-	-	-	330,452	-	-	330,452
Granville County Tourism Development Authority	270,438	-	-	-	-	-	-	-	-	(270,438)	-	(270,438)
South Granville Memorial Gardens	66,045	80,519	-	-	-	-	-	-	-	-	14,474	14,474
Total component units	<u>\$ 95,581,891</u>	<u>\$ 94,380,322</u>	<u>\$ 3,417,585</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,141,528</u>	<u>330,452</u>	<u>(270,438)</u>	<u>14,474</u>	<u>2,216,016</u>
General revenues:												
Taxes:												
Property taxes, levied for general purpose					45,621,457	-	45,621,457	-	-	-	-	45,621,457
Local option sales tax					12,860,966	-	12,860,966	-	-	-	-	12,860,966
Other taxes												
Medicaid hold harmless					3,816,655	-	3,816,655	-	-	-	-	3,816,655
Fire Protection and Rescue Services Tax					2,084,791	-	2,084,791	-	-	-	-	2,084,791
Various other taxes					1,021,230	-	1,021,230	-	-	320,983	-	1,342,213
Investment earnings, unrestricted					2,150,136	32,295	2,182,431	65,662	23,817	-	3,938	2,275,848
Gain on Disposal of assets					-	-	-	-	-	2,809	-	2,809
Miscellaneous, unrestricted					402,399	420,615	823,014	-	-	-	-	823,014
Transfers					(6,692,250)	6,692,250	-	-	-	-	-	-
Total general revenues, special items, and transfers					<u>61,265,384</u>	<u>7,145,160</u>	<u>68,410,544</u>	<u>65,662</u>	<u>23,817</u>	<u>323,792</u>	<u>3,938</u>	<u>68,827,753</u>
Change in net position					<u>10,840,893</u>	<u>6,648,247</u>	<u>17,489,140</u>	<u>2,207,190</u>	<u>354,269</u>	<u>53,354</u>	<u>18,412</u>	<u>20,122,365</u>
Net position-beginning					<u>22,932,839</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>
Prior Period Adjustment (see Note IX)					<u>(13,188)</u>	<u>-</u>	<u>(13,188)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,188)</u>
Net position-beginning, restated					<u>22,919,651</u>	<u>(1,296,582)</u>	<u>21,623,069</u>	<u>36,778,489</u>	<u>2,767,748</u>	<u>504,488</u>	<u>373,170</u>	<u>62,046,964</u>
Net position-ending					<u>\$ 33,760,544</u>	<u>\$ 5,351,665</u>	<u>\$ 39,112,209</u>	<u>\$ 38,985,679</u>	<u>\$ 3,122,017</u>	<u>\$ 557,842</u>	<u>\$ 391,582</u>	<u>\$ 82,169,329</u>

Granville County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2023

	Major		Non-Major	Total
	General Fund	ARPA Fund	Other Governmental Funds	
ASSETS				
Cash and cash equivalents	\$ 37,884,428	\$ -	\$ 9,192,477	\$ 47,076,905
Restricted cash	7,118,724	2,582,475	492,696	10,193,895
Taxes Receivable - net	602,570	-	-	602,570
Accounts Receivable - net	5,438,275	-	77,892	5,516,167
Lease Receivable	1,801,819	-	-	1,801,819
Due from other funds	713,535	-	-	713,535
Prepaid items	6,200	-	-	6,200
Total assets	\$ 53,565,551	\$ 2,582,475	\$ 9,763,065	\$ 65,911,091
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,695,010	\$ -	\$ 16,326	\$ 1,711,336
Due to other funds	-	-	229,687	229,687
Due to component unit	274,536	-	-	274,536
Unearned grant revenues	-	2,352,524	-	2,352,524
Total liabilities	1,969,546	2,352,524	246,013	4,568,083
Deferred inflows of resources	2,461,413	-	-	2,461,413
Fund balances:				
Non-Spendable:				
Prepaid assets	6,200	-	-	6,200
Leases	50,215	-	-	50,215
Restricted:				
Stabilization by State statute	6,151,810	-	58,740	6,210,550
General Government	-	-	5,300,775	5,300,775
Register of Deeds	112,665	-	-	112,665
Human Services	1,564,676	-	79,837	1,644,513
Education	4,410,356	-	1,827,869	6,238,225
Community Services	-	229,951	759,393	989,344
Public Safety	-	-	1,490,838	1,490,838
Committed:				
Tax Revaluation	620,272	-	-	620,272
Public Safety	410,755	-	-	410,755
Assigned:				
Subsequent year's expenditures	3,601,376	-	-	3,601,376
Public Safety	1,500,000	-	-	1,500,000
Human Services	3,115,189	-	-	3,115,189
Community Services	2,200,000	-	-	2,200,000
Economic and Physical Development	1,600,000	-	-	1,600,000
Unassigned:	23,791,078	-	(400)	23,790,678
Total fund balances	49,134,592	229,951	9,517,052	58,881,595
Total liabilities, deferred inflows of resources, and fund balances	\$ 53,565,551	\$ 2,582,475	\$ 9,763,065	\$ 65,911,091

Granville County, North Carolina
Reconciliation of the Governmental Funds Balance Sheet To
The Statement of Net Position
Governmental Fund
June 30, 2023

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

Total Fund Balance - Governmental Funds	\$ 58,881,595
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)	76,348,576
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)	1,607,191
Net pension asset	60,550
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	2,640,164
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds	59,792
Deferred charges related to advance refunding bond issued – included on government-wide statement of net position but are not current financial resources.	387,132
Deferred inflows of resources for taxes and special assessments receivable	602,570
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	305,290
Consolidation adjustment for internal balances between the internal service fund and the governmental funds	(719)
Pension and OPEB related deferrals	2,333,322
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>(109,464,919)</u>
Net position of governmental activities	<u>\$ 33,760,544</u>

Granville County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2023

	Major		Non-Major	Total Governmental Funds
	General Fund	ARPA Fund	Other Governmental Funds	
REVENUES				
Ad valorem taxes	\$ 45,670,615	\$ -	\$ -	\$ 45,670,615
Sales and other taxes	17,597,514	-	91,770	17,689,284
Licenses, fees and other revenues	2,225,792	-	10,703	2,236,495
Restricted intergovernmental revenues	10,000,294	9,387,820	3,178,314	22,566,428
Investment earnings	1,871,725	220,687	57,724	2,150,136
Miscellaneous	157,294	-	3,484	160,778
Total revenues	77,523,234	9,608,507	3,341,995	90,473,736
EXPENDITURES				
Current:				
General government	5,253,272	-	819	5,254,091
Public safety	15,128,591	-	1,529,015	16,657,606
Community Services	5,490,383	-	25,010	5,515,393
Human Services	13,999,410	-	177,343	14,176,753
Non-Departmental & Special Areas	4,919,928	-	-	4,919,928
Capital Outlay	-	-	-	-
Intergovernmental:				
Education	21,457,409	-	416,519	21,873,928
Debt service:				
Principal	7,606,143	-	-	7,606,143
Interest	3,001,939	-	-	3,001,939
Total expenditures	76,857,075	-	2,148,706	79,005,781
Revenues over expenditures	666,159	9,608,507	1,193,289	11,467,955
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	9,387,820	-	5,100,000	14,487,820
Transfers to other funds	(11,792,250)	(9,387,820)	-	(21,180,070)
Subscription based IT liabilities issued	217,587	-	-	217,587
Total other financing sources and uses	(2,186,843)	(9,387,820)	5,100,000	(6,474,663)
Net change in fund balance	(1,520,684)	220,687	6,293,289	4,993,292
Fund balances, beginning, as previously reported	50,668,464	9,264	3,223,763	53,901,491
Prior period adjustment (see Note IX)	(13,188)	-	-	(13,188)
Fund balances, beginning, as restated	50,655,276	9,264	3,223,763	53,888,303
Fund balances, ending	\$ 49,134,592	\$ 229,951	\$ 9,517,052	\$ 58,881,595

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, 2023

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

Net changes in fund balances - total governmental funds	\$	4,993,292
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.		(1,172,882)
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.		(123,296)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		(49,158)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		8,167,771
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		2,640,164
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		(117,079)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(3,497,919)
Total changes in net position of governmental activities	\$	<u>10,840,893</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, 2023

	General Fund			Variance With Final Positive Negative
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 44,313,280	\$ 44,313,280	\$ 45,670,615	\$ 1,357,335
Sales and other taxes	14,695,000	14,695,000	17,597,514	2,902,514
Licenses, fees and other revenues	2,343,705	2,602,557	2,225,792	(376,765)
Restricted intergovernmental revenues	11,750,253	11,548,204	10,000,294	(1,547,910)
Investment earnings	30,000	30,000	1,871,725	1,841,725
Miscellaneous	145,000	145,000	157,294	12,294
Total revenues	<u>73,277,238</u>	<u>73,334,041</u>	<u>77,523,234</u>	<u>4,189,193</u>
Expenditures				
Current:				
General government	5,563,935	5,808,714	5,253,272	555,442
Public safety	15,848,431	16,770,955	15,128,591	1,642,364
Community services	6,104,336	7,483,865	5,490,383	1,993,482
Human services	16,699,861	16,961,948	13,999,410	2,962,538
Non-departmental and special areas	5,048,320	5,734,354	4,919,928	814,426
Education	20,967,783	21,547,783	21,457,409	90,374
Contingency	540,000	233,637	-	233,637
Debt Service	10,955,848	10,955,848	10,608,082	347,766
Total expenditures	<u>81,728,514</u>	<u>85,497,104</u>	<u>76,857,075</u>	<u>8,640,029</u>
Revenues over (under) expenditures	<u>(8,451,276)</u>	<u>(12,163,063)</u>	<u>666,159</u>	<u>12,829,222</u>
Other financing sources (uses):				
Transfers from other funds	5,000,000	10,000,000	9,387,820	(612,180)
Transfers to other funds	(15,000)	(13,808,550)	(11,792,250)	2,016,300
Subscription based IT liabilities issued	-	251,729	217,587	(34,142)
Appropriated Fund Balance	3,466,276	15,719,884	-	(15,719,884)
Total other financing sources (uses)	<u>8,451,276</u>	<u>12,163,063</u>	<u>(2,186,843)</u>	<u>(14,349,906)</u>
Revenues and Other Financing Sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(1,520,684)</u>	<u>\$ (1,520,684)</u>
Fund balances:				
Beginning of year, July 1			50,668,464	
Prior Period Adjustment (see Note IX)			<u>(13,188)</u>	
End of year, June 30			<u>\$ 49,134,592</u>	

Granville County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2023

	Enterprise Funds		Total	Internal Service
	Major	Non-Major		Fund
	Solid	Stormwater		Non-Major Fund
	Waste	Fund		County
	Management			Health Plan
				Funds
ASSETS				
Current assets:				
Cash and investments	\$ 5,544,444	\$ 502,034	\$ 6,046,478	\$ 684,940
Accounts receivable (net)	235,173	20,006	255,179	-
Lease receivable, current	17,644	-	17,644	-
Total current assets	<u>5,797,261</u>	<u>522,040</u>	<u>6,319,301</u>	<u>684,940</u>
Noncurrent assets:				
Lease receivable	1,331,781	-	1,331,781	-
Capital assets:				
Land, improvements and construction in progress	1,020,695	-	1,020,695	-
Other capital assets, net of depreciation	8,648,141	-	8,648,141	-
Right to use assets, net of amortization	7,188	-	7,188	-
Total capital assets	<u>9,676,024</u>	<u>-</u>	<u>9,676,024</u>	<u>-</u>
Total noncurrent assets	<u>11,007,805</u>	<u>-</u>	<u>11,007,805</u>	<u>-</u>
Total assets	<u>16,805,066</u>	<u>522,040</u>	<u>17,327,106</u>	<u>684,940</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>157,512</u>	<u>-</u>	<u>157,512</u>	<u>-</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
Current liabilities:				
Accounts Payable	153,672	26,438	180,110	379,650
Accrued Salaries and Benefits	4,316	-	4,316	-
Due to Other Funds	483,848	-	483,848	-
Compensated absences payable	7,715	-	7,715	-
Current portion of long-term debt	5,811	-	5,811	-
Total current liabilities	<u>655,362</u>	<u>26,438</u>	<u>681,800</u>	<u>379,650</u>
Noncurrent liabilities:				
Long-term debt	526	-	526	-
Total pension liability	170,812	-	170,812	-
Accrued landfill closure and postclosure care costs	7,180,695	-	7,180,695	-
Accrued landfill closure and postclosure care costs - Corrective Action	2,440,001	-	2,440,001	-
Total OPEB Liability	230,344	-	230,344	-
Compensated absences payable	23,145	-	23,145	-
Total noncurrent liabilities	<u>10,045,523</u>	<u>-</u>	<u>10,045,523</u>	<u>-</u>
Total liabilities	<u>10,700,885</u>	<u>26,438</u>	<u>10,727,323</u>	<u>379,650</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,406,349</u>	<u>-</u>	<u>1,406,349</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	9,669,687	-	9,669,687	-
Unrestricted	(4,814,343)	495,602	(4,318,741)	305,290
Total net position	<u>\$ 4,855,344</u>	<u>\$ 495,602</u>	<u>5,350,946</u>	<u>\$ 305,290</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>719</u>	
Net position of business-type activities			<u>\$ 5,351,665</u>	

Granville County, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Enterprise Funds		Total	Internal Service
	Major Solid Waste Management	Non-Major Stormwater Fund		Non-major Fund County Health Plan Fund
Operating Revenues:				
Restricted intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Charge for services	3,268,651	273,614	3,542,265	3,567,032
Miscellaneous	322,896	97,719	420,615	-
Total operating revenues	<u>3,591,547</u>	<u>371,333</u>	<u>3,962,880</u>	<u>3,567,032</u>
Operating Expenses:				
Landfill closure and postclosure	600,485	-	600,485	-
Solid waste operations	(4,113,376)	-	(4,113,376)	-
Landfill operations	7,071,097	-	7,071,097	-
Stormwater operations	-	332,405	332,405	-
Depreciation and Amortization	147,689	-	147,689	-
Health insurance administration	-	-	-	3,684,901
Total operating expenses	<u>3,705,895</u>	<u>332,405</u>	<u>4,038,300</u>	<u>3,684,901</u>
Operating income (loss)	<u>(114,348)</u>	<u>38,928</u>	<u>(75,420)</u>	<u>(117,869)</u>
Nonoperating Revenues (Expenses)				
Interest and fees	(88)	-	(88)	-
Interest earned on investments	32,295	-	32,295	-
Total Nonoperating Revenues(Expenses)	<u>32,207</u>	<u>-</u>	<u>32,207</u>	<u>-</u>
Income (loss) before contributions and transfers	(82,141)	38,928	(43,213)	(117,869)
Capital contributions	-	-	-	-
Transfers from other funds	6,692,250	-	6,692,250	-
Change in net position	6,610,109	38,928	6,649,037	(117,869)
Net Position, beginning	<u>(1,754,765)</u>	<u>456,674</u>	<u>(1,298,091)</u>	<u>423,159</u>
Prior Period Adjustment (see Note IX)	-	-	-	-
Net position, beginning, as restated	<u>(1,754,765)</u>	<u>456,674</u>	<u>(1,298,091)</u>	<u>423,159</u>
Net Position, ending	<u>\$ 4,855,344</u>	<u>\$ 495,602</u>	<u>5,350,946</u>	<u>\$ 305,290</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(790)</u>	
Change in net position of business-type activities			<u>\$ 6,648,247</u>	

Granville County, North Carolina
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2023

	<u>Major Fund</u>	<u>Non-Major Fund</u>		<u>Non-Major Fund</u>
	<u>Enterprise</u>	<u>Enterprise</u>		<u>Internal</u>
	<u>Fund</u>	<u>Fund</u>		<u>Service Fund</u>
	<u>Solid</u>		<u>Totals</u>	<u>County</u>
	<u>Waste</u>	<u>Stormwater</u>	<u>June 30,</u>	<u>Health Plan</u>
	<u>Management</u>	<u>Fund</u>	<u>2023</u>	<u>Fund</u>
Cash flows from operating activities:				
Cash received from customers	\$ 3,626,227	\$ 371,423	\$ 3,997,649	\$ 3,567,032
Cash paid for goods and services	(3,035,082)	(331,298)	(3,366,380)	(3,668,639)
Cash paid to employees for services	(341,006)	-	(341,006)	-
Net cash provided (used) by operating activities	<u>250,139</u>	<u>40,125</u>	<u>290,264</u>	<u>(101,607)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(4,350,916)	-	(4,350,916)	-
Payments on leases	(5,767)	-	(5,767)	-
Interest paid	(88)	-	(88)	-
Net cash provided by capital and related financing activities	<u>(4,356,771)</u>	<u>-</u>	<u>(4,356,771)</u>	<u>-</u>
Cash flows from noncapital financing activities				
Transfer-in	<u>6,692,250</u>	<u>-</u>	<u>6,692,250</u>	<u>-</u>
Net cash provided (used) by noncapital financial activities	<u>6,692,250</u>	<u>-</u>	<u>6,692,250</u>	<u>-</u>
Cash flows from investing activities:				
Interest on investments	<u>32,296</u>	<u>-</u>	<u>32,296</u>	<u>-</u>
Net cash flows from investing activities	<u>32,296</u>	<u>-</u>	<u>32,296</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	2,617,914	40,125	2,658,039	(101,607)
Cash and cash equivalents, July 1	<u>2,926,530</u>	<u>461,909</u>	<u>3,388,439</u>	<u>786,547</u>
Cash and cash equivalents, June 30	<u>\$ 5,544,444</u>	<u>\$ 502,034</u>	<u>\$ 6,046,478</u>	<u>\$ 684,940</u>

Granville County, North Carolina
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2023

	<u>Major Fund</u>	<u>Non-Major Fund</u>		<u>Non-Major Fund</u>
	<u>Enterprise</u>	<u>Enterprise</u>		<u>Internal</u>
	<u>Fund</u>	<u>Fund</u>		<u>Service Fund</u>
	<u>Solid</u>		<u>Totals</u>	<u>County</u>
	<u>Waste</u>	<u>Stormwater</u>	<u>June 30,</u>	<u>Health Plan</u>
	<u>Management</u>	<u>Fund</u>	<u>2023</u>	<u>Fund</u>
Operating income (loss)	\$ (114,348)	\$ 38,928	\$ (75,420)	\$ (117,869)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	147,689	-	147,689	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	58,530	90	58,619	-
(Increase) decrease in lease receivable	17,200	-	17,200	-
(Increase) Decrease in deferred inflows of resources - pensions	(44,315)	-	(44,315)	-
(Increase) Decrease in deferred inflows of resources - OPEB	14,177	-	14,177	-
Increase (decrease) in accounts payable and accrued liabilities	(362,530)	1,107	(361,423)	16,262
Increase (decrease) in accrued salaries	(6,211)	-	(6,211)	-
Increase (decrease) in deferred outflows of resources-pensions	(61,047)	-	(61,047)	-
Increase (decrease) in deferred outflows of resources-OPEB	52,642	-	52,642	-
Increase (decrease) in deferred outflows - leases	(41,050)	-	(41,050)	-
Increase (decrease) in total OPEB liability	(77,988)	-	(77,988)	-
Increase (decrease) in total pension liability	127,578	-	127,578	-
Increase (decrease) in compensated absences payable	3,705	-	3,705	-
Increase (decrease) in landfill closure and postclosure costs	536,107	-	536,107	-
Total adjustments	<u>364,487</u>	<u>1,197</u>	<u>365,683</u>	<u>16,262</u>
Net cash provided (used) by operating activities	<u>\$ 250,139</u>	<u>\$ 40,125</u>	<u>\$ 290,263</u>	<u>\$ (101,607)</u>

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

Granville County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2023

	Custodial Funds
ASSETS	
Cash and investments	\$ 133,717
Taxes receivable for other governments, net	73,323
Total Assets	\$ 207,040
LIABILITIES	
Accounts payable	\$ -
Due to other governments	-
Total liabilities	-
NET POSITION	
Restricted for:	207,040
Individuals, organizations, and other governments	\$ 207,040
Total fiduciary net position	207,040

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, 2023

	Custodial Funds
ADDITIONS	
Ad valorem taxes for other governments	\$ 10,574,165
Collections on behalf of inmates	232,226
Execution receipts	117,342
Total additions	10,923,733
DEDUCTIONS	
Tax distributions to other governments	10,708,012
Payments on behalf of inmates	235,537
Execution Disbursements	115,000
Total deductions	11,058,549
Net increase (decrease) in fiduciary net position	(134,816)
Net position, beginning	341,856
Net position, ending	\$ 207,040

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

- 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 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

GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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.

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.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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, Opioid Settlement Fund, and Fire Protection and Rescue Service District Fund are reported as non-major special revenue funds. The Granville Greenway Project Fund, the Triangle North Fund, the Falls Meadow/Montgomery Place Project Fund, the GAP Phase III Project Fund, the School Repair Project Fund, Law Enforcement Center Fund, and the LATCF 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, 2023

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, Fire Protection and Rescue Service Tax District 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 Triangle North Fund, the Law Enforcement Center Fund, the Falls Meadow/Montgomery Place Project Fund, the GAP Phase III Project Fund, the LATCF Fund, and the School Repair Project Fund.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

1. Deposits and Investments

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

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

The majority of the County, the System, the ABC Board, the Tourism Development Authority, and the Memorial Garden's investments with a maturity of more than one year at acquisition and nonmoney market investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT is authorized by G.S. 159-30(c)(8). 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.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Governmental Activities

General Fund	Tax Revaluation	\$ 620,272
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	4,410,356
General Fund	Public Safety forfeiture funds	410,755
Opioid Settlement Fund	Unexpended Settlement	492,696
American Rescue Plan Fund	Unspent Grant Proceeds	2,582,475
Total Governmental Activities		<u>\$ 10,193,895</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, 2022. 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.

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.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

The County's capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the County reports a lease (only applies when the County is the lessee) or agreements where the County reports an Information Technology (IT) Subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease asset into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right to use subscription assets should be amortized on a straight-line basis over the subscription term.

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

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

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

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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

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. 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 periods 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 periods 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, unavailable revenues (reported only on the Balance Sheet of the Governmental Funds) and lease receivables.

10. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether withheld from the actual debt proceeds received or not, are reported as debt service expenditures.

11. 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, 2023 is recorded in the government-wide and proprietary fund financial statements on a LIFO basis. Employees typically take leave as it is earned and the current portion is estimated.

**GRANVILLE COUNTY, NORTH CAROLINA
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The sick leave policies of the County, the 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.

12. 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.

The County received \$346,688 as part of this settlement in Fiscal Year 2023. 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, 2023. 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.

13. Reimbursements for Pandemic-related

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 July 2023. 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 used the rest of the funds for revenue replacement in the General Fund in Fiscal Year 2023.

14. 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.

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

The governmental fund types classify fund balances as follows:

GRANVILLE COUNTY, NORTH CAROLINA
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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.

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.

GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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Assigned Fund Balance - portion of fund balance that the County's Board of Commissioners has assigned.

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

Assigned for Public Safety-portion of fund balance that has been budgeted by the board for 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.

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FOR THE YEAR ENDED JUNE 30, 2023**

15. 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.

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 (\$25,121,051) 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)	\$ 105,075,444
Less accumulated depreciation	<u>(28,726,868)</u>
Net capital assets	<u>76,348,576</u>
Right to use assets used in governmental activities are not financial resources and , therefore, are not reported in the funds	2,496,696
Less accumulated amortization	<u>(889,505)</u>
Net right to use assets	<u>1,607,191</u>
Net pension asset	60,550
Contributions to the pension plan in the current fiscal year	1,974,516
Benefit payments and pension administration costs for LEOSSA	71,696
Contributions to OPEB plan in the current fiscal year	593,952
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements.	59,792
Deferred charges related to advance refunding bond issued – included on government-wide statement of net position but are not current financial resources.	387,132

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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	305,290
Internal receivable representing cost in excess of charges to business-type activities-current year	(719)
Deferred inflows of resources for taxes and special assessments	602,570
Pension related deferrals	5,880,477
OPEB related deferrals	(3,547,155)
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, SBITA, and leases	(72,425,427)
Compensated absences	(1,533,195)
Total OPEB Liability	(17,219,960)
Total pension liability-LGERS	(11,289,185)
Total pension liability-LEOSSA	(2,654,926)
Premium on bonds	(3,785,274)
Accrued interest payable	(556,952)
Total adjustment	\$ (25,121,051)

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 \$5,847,601 is comprised of the following:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 1,492,268
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	(2,656,664)
Capital outlay expenditures associated with leases are recorded in the fund statements but capitalized as right to use assets in the statement of activities.	384,397
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	(507,693)

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Lease liabilities and SBITA 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	(217,587)
Principal payments on lease liabilities and SBITA 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.	480,536
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	7,606,143
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	(117,869)
Less: Profit from charges to business-type activities	790
Net adjustment	(117,079)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,974,516
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	71,696
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	593,952
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)	66,753
-Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	44,677
-OPEB expense	241,012
-County’s portion of collective pension expense	(3,709,573)
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	(40,206)
-Increase (decrease) in accrued taxes receivable at end of year	(8,952)
Total adjustment	\$ 5,847,601

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NOTE II: Stewardship, Compliance and Accountability

Excess of Expenditures over Appropriations

The County adopts their budget for the County Health Plan Fund by department, with detail broken out by line item. Expenditures for the Health Insurance Administration services exceeded their budgeted amounts by \$106,985. The fund as a whole, however, had excess budget available of \$4,209. Therefore, it does not constitute a material budget violation, and has not been noted as a financial statement finding.

Timeliness of Audit Submission

The audit report was issued 4 months after the required due date of October 31, 2022. Additional time was required for the implementation of GASB 96 and for the receipt of the Other Post-Employment Benefits actuarial report.

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, 2023, the County's deposits had a carrying amount of \$12,722,077 and a bank balance of \$13,035,609. Of the bank balance, \$750,000 was covered by federal depository insurance, and \$12,285,609 in interest bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2023, Granville County had \$2,400 cash on hand.

At June 30, 2023, the carrying amount of deposits for Granville County ABC Board was \$2,043,286 and the bank balance was \$1,989,397. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$1,739,397 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.

**GRANVILLE COUNTY, NORTH CAROLINA
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At September 30, 2022, the System’s deposits had a carrying amount of approximately \$41,332,000 and a bank balance of approximately \$42,974,000. Of the bank balance, approximately \$508,000 was covered by federal depository insurance and approximately \$42,466,000 was covered by collateral held under the Pooling method. At September 30, 2022, there were no deposits collateralized using the Dedicated method. The System also had cash on hand at September 30, 2022, in the amount of approximately \$2,500. No funds were held by the County at September 30, 2022.

At June 30, 2023, the Tourism Development Authority had a carrying amount of \$530,982 and a bank balance of \$530,022. 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, 2023, the Memorial Gardens had a carrying amount of \$169,632 and a bank balance of \$167,882. All of the bank balance was covered by federal depository insurance.

2. Investments

At June 30, 2023, the County had the following investments and maturities:

Investment Type	Valuation Measurement		Less Than 6 Months	6-12 Months	Greater Than One Year	% Concentration
	Method	Fair Value				
NC Capital Management Trust-Government Portfolio	Fair Value-Level 1	\$ 51,411,533	\$ 51,411,533	\$ -	\$ -	100%
Total		\$ 51,411,533	\$ 51,411,533	\$ -	\$ -	100%

At June 30, 2023, South Granville Memorial Gardens had the following investments and maturities:

Investment Type	Valuation Measurement		Book Value 6/30/2023	Maturity	Rating
	Method				
NC Capital Management Trust-Govt Portfolio*	Fair Value-Level 1	\$ 111,119	.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 vy 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.

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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, 2023.

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, 2023, 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
2020	\$ 3,351,049	\$ 795,874	\$ 4,146,923
2021	3,341,896	492,930	3,834,826
2022	3,325,027	191,190	3,516,217
2023	3,284,045	-	3,284,045
Total	<u>\$ 13,302,017</u>	<u>\$ 1,479,994</u>	<u>\$ 14,782,011</u>

4. Receivables

Receivables at the government-wide level at June 30, 2023, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due from other governments	Total
Governmental Activities:				
General Fund	\$ 1,840,803	\$ 886,362	\$ 3,597,472	\$ 6,324,637
Other Governmental Funds	77,892	-	-	77,892
Total Receivables	1,918,695	886,362	3,597,472	6,402,529
Allowance for Doubtful Accts.	-	(224,000)	-	(224,000)
Total Gov't Activities	<u>\$ 1,918,695</u>	<u>\$ 662,362</u>	<u>\$ 3,597,472</u>	<u>\$ 6,178,529</u>
Business-type Activities:				
Soild Waste Management	\$ 238,715	\$ -	\$ 39,608	\$ 278,323
Stormwater Fund	20,006	-	-	20,006
Total Receivables	258,721	-	39,608	298,329
Allowance for Doubtful Accts.	(43,150)	-	-	(43,150)
Total Business-type	<u>\$ 215,571</u>	<u>\$ -</u>	<u>\$ 39,608</u>	<u>\$ 255,179</u>

**GRANVILLE COUNTY, NORTH CAROLINA
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The due from other governments that is owed to the County consists of the following:

Local option sales tax	\$ 3,276,704
Franchise tax	14,487
Sales tax refund receivable	306,281
Scrap tire disposal tax	29,383
Solid waste tax distribution	10,225
Total	<u>\$ 3,637,080</u>

Leases Receivable

On 07/01/2021, Granville County, NC entered into a 216 month lease as Lessor for the use of Communication Site - 8362 Charlie Stovall road. An initial lease receivable was recorded in the amount of \$871,085. As of 06/30/2023, the value of the lease receivable is \$798,817. The lessee is required to make annual fixed payments of \$39,886. The lease has an interest rate of 0.7270%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$774,298, and Granville County, NC recognized lease revenue of \$48,394 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 277 month lease as Lessor for the use of 8362 Charlie Stovall Road. An initial lease receivable was recorded in the amount of \$1,067,178. As of 06/30/2023, the value of the lease receivable is \$1,003,002. The lessee is required to make annual fixed payments of \$35,949. 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 deferred inflow of resources as of 06/30/2023 was \$974,926, and Granville County, NC recognized lease revenue of \$46,126 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 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 06/30/2023, the value of the lease receivable is \$1,349,425. The lessee is required to make annual fixed payments of \$52,500. The lease has an interest rate of 2.5830%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$1,326,013, and Granville County, NC recognized lease revenue of \$41,050 during the fiscal year.

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 06/30/2023, the value of the lease receivable is \$0. The lessee is required to make annual fixed payments of \$15,067. The lease has an interest rate of 0.5140%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$2,381, 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.

GRANVILLE COUNTY, NORTH CAROLINA
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Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 67,354	\$ 13,099	\$ 17,644	\$ 34,856
2025	70,257	12,610	18,100	34,400
2026	73,254	12,099	22,068	33,932
2027	76,347	11,566	22,638	33,362
2028	79,539	11,011	23,222	32,778
2029-2033	449,275	45,892	136,199	154,301
2034-2038	545,833	28,200	173,149	134,851
2039-2043	371,576	9,805	215,125	110,375
2044-2048	68,384	497	262,808	80,192
2049-2053			316,977	43,523
2054-2058			141,495	5,506
Total	\$ 1,801,819	\$ 144,780	\$ 1,349,425	\$ 698,075

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2023, was as follows:

Governmental Activities:

	Restated Beginning Balances	Increases	Retirements	Restated Ending Balances
Capital assets not being depreciated:				
Land	\$ 8,291,666	\$ 177,893	\$ -	\$ 8,469,559
Construction in Progress	1,443,172	416,519	(709,788)	1,149,903
Total capital assets not being depreciated	9,734,838	594,412	(709,788)	9,619,462
Capital assets being depreciated:				
Buildings	59,247,379	861,432	-	60,108,811
Improvements other than building	19,939,972	109,449	-	20,049,421
Machinery and Equipment	7,878,534	636,763	(87,547)	8,427,750
Intangible assets	6,870,000	-	-	6,870,000
Total capital assets being depreciated:	93,935,885	1,607,644	(87,547)	95,455,982
Less accumulated depreciation for:				
Buildings	13,307,315	1,542,078	-	14,849,393
Improvements other than building	5,131,723	511,319	-	5,643,042
Machinery and Equipment	6,507,977	431,517	(79,061)	6,860,433
Intangible assets	1,202,250	171,750	-	1,374,000
Total accumulated depreciation:	26,149,265	\$ 2,656,664	\$ (79,061)	28,726,868
Total capital assets being depreciated, net	67,786,620	(1,049,020)	(8,486)	66,729,114

**GRANVILLE COUNTY, NORTH CAROLINA
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Capital assets being amortized:				
Right to use assets				
Leased land	14,266	-	(14,266)	-
Leased buildings	1,876,677	-	-	1,876,677
Leased equipment	146,952	-	(3,635)	143,317
Leased easements	34,012	-	-	34,012
IT Subscriptions	58,293	384,397	-	442,690
Total right to use assets	2,130,200	384,397	(17,901)	2,496,696
Less accumulated amortization for:				
Leased land	4,338	-	(4,338)	-
Leased buildings	332,980	332,980	-	665,960
Leased equipment	42,141	41,102	-	83,243
Leased easements	6,691	6,691	-	13,382
IT Subscriptions	-	126,920	-	126,920
Total accumulated amortization	386,150	507,693	(4,338)	889,505
Governmental activity capital assets, net	\$ 79,265,508	\$ (577,904)	\$ (731,837)	\$ 77,955,767

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

General Government	\$ 545,149
Public Safety	1,474,431
Human Services	463,979
Community Services	504,496
Economic Development	176,302
Total Depreciation Expense	\$ 3,164,357

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:	1,545,575	-	(524,880)	1,020,695
Capital assets being depreciated:				
Buildings	272,874	-	-	272,874
Improvements other than buildings	4,784,710	4,875,796	-	9,660,506
Fixtures & Equipment	149,072	-	-	149,072
Machinery and equipment	331,239	-	-	331,239
Total capital assets being depreciated :	5,537,895	4,875,796	-	10,413,691
Less accumulated depreciation for:				
Buildings	42,885	7,807	-	50,692
Improvements other than buildings	1,192,426	126,684	-	1,319,110
Fixtures & Equipments	56,667	7,842	-	64,509
Machinery and equipment	331,239	-	-	331,239
Total accumulated depreciation:	1,623,217	142,333	-	1,765,550
Total capital assets being depreciated, net	3,914,678	4,733,463	-	8,648,141
Capital assets being amortized:				

GRANVILLE COUNTY, NORTH CAROLINA
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	Beginning Balances	Increases	Retirements	Ending Balances
Right to use assets				
Leased land	14,266	-	-	14,266
Leased equipment	3,635	-	-	3,635
IT Subscriptions	-	-	-	-
Total right to use assets	<u>17,901</u>	<u>-</u>	<u>-</u>	<u>17,901</u>
Less accumulated amortization for:				
Leased land	4,338	4,338	-	8,676
Leased equipment	1,019	1,019	-	2,038
IT Subscriptions	-	-	-	-
Total accumulated amortization	<u>5,357</u>	<u>5,357</u>	<u>-</u>	<u>10,714</u>
Business-type activity capital assets, net	<u>\$ 5,472,797</u>	<u>\$ 4,728,106</u>	<u>\$ (524,880)</u>	<u>\$ 9,676,023</u>

Depreciation and amortization expense is charged as follows

Landfill	\$ 126,835
Convenience sites	20,854
Total capital assets not being depreciated:	<u>\$ 147,689</u>

Activity for the ABC Board for the year ended June 30, 2023, 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:	<u>338,774</u>	<u>-</u>	<u>-</u>	<u>338,774</u>
Capital assets being depreciated:				
Buildings	1,035,347	305,580	-	1,340,927
Furniture amd equipment	146,424	20,602	-	167,026
Vehicles	23,208	-	-	23,208
Computers & Software	31,879	-	-	31,879
Total capital assets being depreciated:	<u>1,236,858</u>	<u>326,182</u>	<u>-</u>	<u>1,563,040</u>
Less accumulated depreciation for:				
Buildings	169,274	24,490	-	193,764
Furniture amd equipment	98,559	19,938	-	118,497
Vehicles	23,208	-	-	23,208
Computers & Software	24,212	2,366	-	26,578
Total accumulated depreciation	<u>315,253</u>	<u>\$ 46,794</u>	<u>\$ -</u>	<u>362,047</u>
Total capital assets being depreciated, net	<u>921,605</u>			<u>1,200,993</u>
ABC Board capital assets net	<u>\$ 1,260,379</u>			<u>\$ 1,539,767</u>

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Activity for Granville Health System for the year ended September 30, 2022, 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	-	507,700	-	507,700
Total capital assets not being depreciated:	1,790,207	507,700	-	2,297,907
Capital assets being depreciated:				
Buildings	34,755,732	135,394	-	34,891,126
Capitalized interest	619,714	1,452,527	(200,000)	1,872,241
Land Improvements	1,913,257	2,922,621	(804,474)	4,031,404
Equipment and fixtures	38,171,501	-	-	38,171,501
Total capital assets being depreciated:	75,460,204	4,510,542	(1,004,474)	78,966,272
Less accumulated depreciation for:				
Buildings	18,002,093	70,239	-	18,072,332
Land Improvements	1,413,536	943,376	(108,380)	2,248,532
Equipment and fixtures	27,884,909	2,150,751	(782,958)	29,252,702
Total accumulated depreciation	47,300,538	\$ 3,164,366	\$ (891,338)	49,573,566
Total capital assets being depreciated, net	28,159,666			29,392,706
Granville Health System capital assets net	\$ 29,949,873			\$ 31,690,613

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2023, were as follows:

	Vendors	Accrued Salaries	Accrued Interest	Total
Governmental Activities:				
General Fund	\$ 1,288,503	\$ 406,507	\$ 556,952	\$ 2,251,962
School Repair Project Fund	-	-	-	-
Law Enforcement Center Fund	-	-	-	-
Other Governmental Funds	16,326	-	-	16,326
County Health Plan Fund	379,650	-	-	379,650
Total Governmental Activities	\$ 1,684,479	\$ 406,507	\$ 556,952	\$ 2,647,938
Business-type Activities:				
Solid Waste Management	\$ 147,317	\$ 6,355	\$ -	\$ 153,672
Stormwater Fund	26,438	-	-	26,438
Total Business-type Activities	\$ 173,755	\$ 6,355	\$ -	\$ 180,110

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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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.

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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, 2023, was 13.04% of compensation for law enforcement officers and 12.15% 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 12.15%. Contributions to the pension plan from the County were \$2,000,312 for the year ended June 30, 2023. Contributions to the pension plan from the Health System were approximately \$3,065,000 for the year ended September 30, 2022. Contributions to the pension plan from the ABC Board were \$52,048.

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, 2023, the County reported a liability of \$11,459,997 for its proportionate share of the total pension liability. The total pension liability was measured as of June 30, 2022. The total pension liability used to calculate the total pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2023, the County's proportion was 0.203% (measured as of June 30, 2022), which was an increase of .014% from its proportion as of June 30, 2022 (measured as of June 30, 2021).

For the year ended June 30, 2023, the County recognized pension expense of \$3,490,690. At June 30, 2023, 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	\$ 493,801	\$ 48,414
Changes in assumptions	1,143,451	-
Net difference between projected and actual earnings on pension plan investments	3,787,649	-
Changes in proportion and differences between County contributions and proportionate share of contributions	451,465	-
County contributions subsequent to the measurement date	2,000,312	-
Total	<u>\$ 7,876,678</u>	<u>\$ 48,414</u>

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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\$2,000,312 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 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	
2024	\$ 1,913,087
2025	1,600,836
2026	509,521
2027	<u>1,804,508</u>
	<u>\$ 5,827,952</u>

Health System

At September 30, 2022, the System reported a liability of approximately \$19,211,319 for its proportionate share of the total pension liability. The total pension liability as of September 30, 2022 was measured as of June 30, 2022. The total pension liability used to calculate the total pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The System's proportion of the total 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, 2022, the System's proportion was 0.34054%, which was an increase of 0.01040% from its proportion measured as of September 30, 2021.

For the year ended September 30, 2022, the System recognized pension expense of approximately \$5,535,732. At September 30, 2022, 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	\$ 827,798	\$ 81,161
Changes in assumptions	1,916,859	-
Net difference between projected and actual earnings on pension plan investments	6,349,542	-
Changes in proportion and differences between County contributions and proportionate share of contributions	287,856	38,706
System contributions subsequent to the measurement date	<u>899,631</u>	-
Total	<u>\$ 10,281,686</u>	<u>\$ 119,867</u>

\$899,631 reported as deferred outflows related to pensions resulting from System contributions subsequent to the measurement date but before the end of the government's fiscal year will be recognized as a reduction 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	
2023	\$ 2,932,337
2024	2,561,857
2025	742,953
2026	<u>3,025,041</u>
	<u>\$ 9,262,188</u>

**GRANVILLE COUNTY, NORTH CAROLINA
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Actuarial Assumptions. The total pension liability in the December 31, 2021 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, 2021 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.

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, 2023 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	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2022 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.

**GRANVILLE COUNTY, NORTH CAROLINA
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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:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the total pension liability (asset)	\$ 20,683,818	\$ 111,459,997	\$ 3,859,032
System’s proportionate share of the total pension liability (asset)	\$ 34,673,956	\$ 19,211,319	\$ 6,469,208
ABC Board’s proportionate share of the net pension liability (asset)	\$ 320,735	\$ 177,705	\$ 59,840

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

b. Law Enforcement Officers' Special Separation Allowance

1 Plan Description

Granville County administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the County’s qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2021, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	8
Terminated plan members entitled to but not yet receiving benefits.	-
Active plan members	62
Total	70

**GRANVILLE COUNTY, NORTH CAROLINA
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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, 2021 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	4.31 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, 2021 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.

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 \$121 073 as benefits came due for the reporting period.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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

At June 30, 2023, the County reported a total pension liability of \$2,654,926. The total pension liability was measured as of December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was rolled forward to the measurement date of June 30, 2022, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the County recognized pension expense of \$260,548.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 215,154	\$ 5,352
Changes of assumptions	375,238	473,814
County benefit payments and plan administrative expense made subsequent to the measurement date	71,696	-
Total	\$ 662,088	\$ 479,166

The County paid \$71,696 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended		
2024	\$	91,492
2025		100,196
2026		37,103
2027		(57,848)
2028		(59,717)

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 4.31 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 (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
County's proportionate share of the total pension liability (asset)	\$ 2,882,952	\$ 2,654,926	\$ 2,448,591

**GRANVILLE COUNTY, NORTH CAROLINA
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Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance

	2023
Beginning balance	\$ 2,973,895
Service Cost	147,540
Interest on the total pension liability	65,551
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	84,397
Changes of assumptions or other inputs	(495,384)
Benefit payments	(121,073)
Other changes	-
Ending balance of the total pension liability	\$ 2,654,926

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 2.25 percent at June 30, 2022 (measurement date) to 4.31 percent at June 30, 2023 (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, 2021 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, 2020.

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, 2023, were \$205,321, which consisted of \$158,659 from the County and \$46,662 from the law enforcement officers.

GRANVILLE COUNTY, NORTH CAROLINA
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d. Registers of Deeds' Supplemental Pension Fund

Plan Description. Granville County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, cost-sharing, multiple-employer, defined benefit pension plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$4,019 for the year ended June 30, 2023.

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

At June 30, 2023, the County reported an asset of \$60,550 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2022, the County's proportion was .4573%, which was a decrease of .0005% from its proportion measured as of June 30, 2021.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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For the year ended June 30, 2023, the County recognized pension expense of \$10,740. At June 30, 2023, 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	\$ 466	\$ 1,098
Changes of assumptions	3,206	-
Net difference between projected and actual earnings on pension plan investments	25,167	-
Changes in proportion and differences between County contributions and proportionate share of contributions	455	62
County contributions subsequent to the measurement date	4,019	-
Total	\$ 33,313	\$ 1,160

\$4,019 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended			
2024	\$	7,883	
2025		5,544	
2026		8,378	
2027		6,329	
		\$ 28,134	

Actuarial Assumptions. The total pension liability in the December 31, 2021 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, 2021 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, 2023 is 0.78%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2022 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 <u>(2.00%)</u>	Discount Rate <u>(3.00%)</u>	1% Increase <u>(4.00%)</u>
County's proportionate share of the total pension liability (asset)	\$ (69,793)	\$ 60,550	\$ (103,055)

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 total pension liability (asset) for LGERS and ROD was measured as of June 30, 2022, and the total pension liability used to calculate the total pension liability (asset) was determined by an actuarial valuation as of December 31, 2021. The total pension liability for LEOSSA was measured as of June 30, 2022, with an actuarial valuation date of December 31, 2021. The County's proportion of the total 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:

**GRANVILLE COUNTY, NORTH CAROLINA
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	LGERS	ROD	LEOSSA	Total
Proportionate Share of Total Pension Liability (Asset)	\$ 11,459,997	\$ (60,550)	\$ -	\$ 11,399,447
Proportionate of the Total Pension Liability (Asset)	0.203%	0.457%	n/a	n/a
Total Pension Liability	\$ -	\$ -	\$ 2,654,926	\$ 2,654,926
Pension Expense	\$ 3,490,690	\$ 10,740	\$ 260,548	\$ 3,761,978

At June 30, 2023, 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	\$ 493,801	\$ 466	\$ 215,154	\$ 709,421
Changes of assumptions	1,143,451	3,206	375,238	1,521,895
Net difference between projected and actual earnings on pension plan investment	3,787,649	25,167	-	3,812,816
Changes in proportion and differences between County contributions and proportionate share of contributions	451,465	455	-	451,920
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	2,000,312	4,019	71,696	2,076,027
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ 48,414	\$ 1,098	\$ 5,352	\$ 54,864
Changes of assumptions	-	-	473,814	473,814
Net difference between projected and actual earnings on pension plan investment	-	-	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	62	-	62

**GRANVILLE COUNTY, NORTH CAROLINA
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FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023 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, 2023, the non-Medicare monthly premium was \$869 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 \$96 per month to \$333 per month depending on the age of the beneficiary. The Board of Commissioners may amend the benefit provisions.

For the current year, the County contributed \$576,380.

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	76
Inactive plan members entitled to but not yet	-
Active	112
Total	<u>188</u>

The County's total OPEB liability of \$17,450,304 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2021.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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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 8.15 percent
Municipal Bond Index Rate:	
Prior Measurement Date	2.16 percent
Measurement Date	3.54 percent
Healthcare cost trend rates:	
Pre-Medicare	7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2032
Medicare	5.125% for 2022 decreasing to an ultimate rate of 4.50% by 2025

The County selected a Municipal Bond Index Rate equal to the Bond Buyer 20-year General Obligation Bond Index published at the last Thursday of June by The Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the TOL.

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2022 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 (2.54 percent) and 1-percentage-point higher (4.54 percent) than the current discount rate:

	1% Decrease (2.54 percent)	Discount Rate (3.54 Percent)	1% Increase (4.54 percent)
Total OPEB liability (asset)	\$ 20,700,133	\$ 17,450,304	\$ 14,901,525

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)	\$ 14,787,166	\$ 17,450,304	\$ 20,863,930

Changes in Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2023, the County reported a total OPEB liability of \$17,450,304. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

At June 30, 2023, the components of the total OPEB liability of the County, measured as of June 30, 2022, were as follows:

	Total OPEB Liability
Balances at June 30, 2022	\$ 23,358,511
Changes in	
Service Cost	541,492
Interest	510,048
Differences between Expected and	(1,953,724)
Changes of assumptions or other inputs	(4,429,643)
Benefit payments	(576,380)
Net Changes	(5,908,207)
Balances at June 30, 2023	\$ 17,450,304

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 2.16 percent to 3.54 percent.

For the year ended June 30, 2023, the County recognized OPEB revenue of \$244,236. At June 30, 2023, 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	\$ -	-	\$ 2,212,847
Changes of assumptions	2,436,740		3,818,497
Benefit payments and administrative costs made subsequent to the measurement date	601,927		-
Total	\$ 3,038,667	-	\$ 6,031,344

\$601,927 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, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	
2023	\$ (1,247,909)
2024	(699,734)
2025	(1,328,550)
2026	(318,411)
2027	-
Thereafter	-

GRANVILLE COUNTY, NORTH CAROLINA
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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 7 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 \$9,620,696 reported as landfill closure and postclosure care liability at June 30, 2023, 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.

**GRANVILLE COUNTY, NORTH CAROLINA
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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	\$ 387,132
Difference between expected and actual experience	
LGERS	493,801
Register of Deeds	466
LEOSSA	215,154
OPEB	-
Changes of assumptions	
LGERS	1,143,451
Register of Deeds	3,206
LEOSSA	375,238
OPEB	2,436,740
Pensions - difference between projected and actual investment	
LGERS	3,787,649
Register of Deeds	25,167
LEOSSA	-
OPEB	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	
LGERS	451,465
Register of Deeds	455
LEOSSA	-
Contributions, benefits and admin costs paid subsequent to measurement date	
LGERS	2,000,312
Register of Deeds	4,019
LEOSSA	71,696
Benefit payments for the OPEB plan paid subsequent to measurement date	601,927
Total	<u><u>\$ 11,997,878</u></u>

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

	Statement of <u>Net Position</u>	Governmental Funds <u>Balance Sheet</u>
Difference between expected and actual experience		
LGERS	\$ 48,414	\$ -
Register of Deeds	1,098	-
LEOSSA	5,352	-
OPEB	2,212,847	-
Changes of assumptions		
LEOSSA	473,814	-
OPEB	3,818,497	-
Pensions - difference between projected and actual investment		
LGERS	-	-
Register of Deeds	-	-
Pensions - change in proportion and difference		
Register of Deeds	62	-
Leases	3,077,617	1,751,604
Prepaid taxes not yet earned (General Fund)	90,580	90,580
Subdivision deposit	16,659	16,659
Taxes receivable, net (General)	-	602,570
Total	<u>\$ 9,744,940</u>	<u>\$ 2,461,413</u>

5 Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk-financing pools administered by the North Carolina Association of County Commissioners Joint Risk Management Agency. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to total insured values, with 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 \$1,000,000. 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

**GRANVILLE COUNTY, NORTH CAROLINA
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FOR THE YEAR ENDED JUNE 30, 2023**

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.

6 Contingent Liabilities

At June 30, 2023, 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. Subscriptions payable

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

On 07/15/2022, Granville County, NC entered into a 36 month subscription for the use of DebtBook Services. An initial subscription liability was recorded in the amount of \$22,023. As of 06/30/2023, the value of the subscription liability is \$14,523. Granville County, NC is required to make annual fixed payments of \$7,500. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 of \$22,023 with accumulated amortization of \$7,055 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, Granville County, NC entered into a 22 month subscription for the use of KnowBe4 Subscription. An initial subscription liability was recorded in the amount of \$2,476. As of 06/30/2023, the value of the subscription liability is \$0. Granville County, NC is required to make annual fixed payments of \$7,071. The subscription has an interest rate of 202.4000%. The value of the right to use asset as of 06/30/2023 of \$2,476 with accumulated amortization of \$1,351 is included with Software on the Subscription Class activities table found below.

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On 07/01/2022, Granville County, NC entered into a 14 month subscription for the use of Indexing System. An initial subscription liability was recorded in the amount of \$20,462. As of 06/30/2023, the value of the subscription liability is \$0. Granville County, NC is required to make annual fixed payments of \$20,520. The subscription has an interest rate of 1.7100%. The value of the right to use asset as of 06/30/2023 of \$20,462 with accumulated amortization of \$17,539 is included with Software on the Subscription Class activities table found below. Granville County, NC had a termination period of 3 months as of the subscription commencement.

On 07/01/2022, Granville County, NC entered into a 21 month subscription for the use of CivicRec. An initial subscription liability was recorded in the amount of \$4,700. As of 06/30/2023, the value of the subscription liability is \$0. Granville County, NC is required to make annual fixed payments of \$4,774. The subscription has an interest rate of 2.0240%. The value of the right to use asset as of 06/30/2023 of \$6,065 with accumulated amortization of \$3,401 is included with Software on the Subscription Class activities table found below.

On 10/18/2022, Granville County, NC entered into a 36 month subscription for the use of Tyler - Software Services. An initial subscription liability was recorded in the amount of \$171,495. As of 06/30/2023, the value of the subscription liability is \$112,499. Granville County, NC is required to make annual fixed payments of \$59,297. The subscription has an interest rate of 3.2380%. The value of the right to use asset as of 06/30/2023 of \$338,305 with accumulated amortization of \$79,251 is included with Software on the Subscription Class activities table found below.

On 10/15/2022, Granville County, NC entered into a 24 month subscription for the use of Record Management System . An initial subscription liability was recorded in the amount of \$9,841. As of 06/30/2023, the value of the subscription liability is \$4,843. Granville County, NC is required to make annual fixed payments of \$4,998. The subscription has an interest rate of 3.2070%. The value of the right to use asset as of 06/30/2023 of \$9,841 with accumulated amortization of \$3,499 is included with Software on the Subscription Class activities table found below.

On 10/15/2022, Granville County, NC entered into a 24 month subscription for the use of JMS Software. An initial subscription liability was recorded in the amount of \$12,947. As of 06/30/2023, the value of the subscription liability is \$6,568. Granville County, NC is required to make annual fixed payments of \$6,379. The subscription has an interest rate of 3.2070%. The value of the right to use asset as of 06/30/2023 of \$12,947 with accumulated amortization of \$4,604 is included with Software on the Subscription Class activities table found below.

On 10/14/2022, Granville County, NC entered into a 24 month subscription for the use of Biometric Scanning. An initial subscription liability was recorded in the amount of \$1,282. As of 06/30/2023, the value of the subscription liability is \$634. Granville County, NC is required to make annual fixed payments of \$648. The subscription has an interest rate of 3.2070%. The value of the right to use asset as of 06/30/2023 of \$1,282 with accumulated amortization of \$457 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, Granville County, NC entered into a 36 month subscription for the use of RMS Software. An initial subscription liability was recorded in the amount of \$29,290. As of 06/30/2023, the value of the subscription liability is \$19,315. Granville County, NC is required to make annual fixed payments of \$9,975. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 of \$29,290 with accumulated amortization of \$9,763 is included with Software on the Subscription Class activities table found below.

**GRANVILLE COUNTY, NORTH CAROLINA
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Amount of Subscription Assets by Major Classes of Underlying Asset

<u>Asset Class</u>	<u>Asset Value</u>	<u>Amortization</u>
Software	\$ 442,690	\$ 126,920
Total Subscriptions	\$ 442,690	\$ 126,920

The future minimum subscription obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 84,134	\$ 4,768	\$ -	\$ -
2025	74,247	2,224	-	-
Total	\$ 158,381	\$ 6,992	\$ -	\$ -

a. 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 06/30/2023, the value of the lease liability is \$376,260. Granville County, NC is required to make monthly fixed payments of \$3,750. The lease has an interest rate of 1.6040%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$454,387 with accumulated amortization of \$90,877 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 06/30/2023, the value of the lease liability is \$23,348. Granville County, NC is required to make annual fixed payments of \$5,402. The lease has an interest rate of 1.0590%. The Easements estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$34,012 with accumulated amortization of \$13,382 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 06/30/2023, the value of the lease liability is \$208,877. 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 06/30/2023 of \$622,480 with accumulated amortization of \$414,987 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 06/30/2023, the value of the lease liability is \$659,030. Granville County, NC is required to make monthly fixed payments of \$6,800. The lease has an interest rate of 1.6040%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$799,810 with accumulated amortization of \$160,095 is included with Buildings on the Lease Class activities table found below. Granville County, NC has 2 extension option(s), each for 60 months.

**GRANVILLE COUNTY, NORTH CAROLINA
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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 06/30/2023, the value of the lease liability is \$4,765. Granville County, NC is required to make annual fixed payments of \$4,800. The lease has an interest rate of 0.7270%. The Land estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$14,266 with accumulated amortization of \$8,675 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 \$17,139. As of 06/30/2023, the value of the lease liability is \$5,425. Granville County, NC is required to make monthly fixed payments of \$495. The lease has an interest rate of 0.7270%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$17,140 with accumulated amortization of \$11,490 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 06/30/2023, the value of the lease liability is \$56,122. Granville County, NC is required to make monthly fixed payments of \$3,140. The lease has an interest rate of 0.8930%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$129,812 with accumulated amortization of \$72,792 is included with Equipment on the Lease Class activities table found below.

Amount of Lease Assets by Major Classes of Underlying Asset

<u>Asset Class</u>	<u>Asset Value</u>	<u>Accumulated Amortization</u>
Land	\$ 14,266	\$ 8,675
Buildings	1,876,677	665,959
Equipment	146,952	84,282
Easements	34,012	13,382
	<u>\$ 2,071,907</u>	<u>\$ 772,299</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 371,224	\$ 17,191	\$ 5,811	\$ 44
2025	141,935	14,131	526	1
2026	129,290	12,092	-	-
2027	132,510	10,028	-	-
2028	131,966	7,895		
2029-2033	420,565	10,558	-	-
Total	<u>\$ 1,327,491</u>	<u>\$ 71,895</u>	<u>\$ 6,337</u>	<u>\$ 46</u>

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2022.

Total rental expense charged to operations amounted to approximately \$597,370 for the year ended September 30, 2022. Approximate future minimum rentals for the year ending September 30 are as follows:

2023	\$	598,055
2024		598,740
2025		599,425
2026		600,110
2027		600,795
Total		\$ 2,997,125

b. 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, 2023, are comprised of the following individual issues:

In September 2012, the County entered into a direct placement \$8,950,000 installment \$ 3,199,000 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%.

In July 2012, the County entered into a direct placement \$1,810,000 installment financing 651,652 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%.

In August 2014, the County entered into a \$9,000,000 direct placement installment financing 7,347,812 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.

In August 2014, the County entered into a \$5,000,000 direct placement installment financing 4,082,091 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.

In April 2018, the County entered into a \$8,105,000 direct placement installment financing 6,075,000 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%.

**GRANVILLE COUNTY, NORTH CAROLINA
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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% 4,350,000

Total \$ 25,705,555

For Granville County, the future minimum payments as of June 30, 2023, including \$8,849,785 of interest are:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2024	\$ 1,821,862	\$ 931,536
2025	1,842,318	871,167
2026	1,862,550	809,990
2027	1,883,592	740,898
2028	1,826,152	692,278
2029-2033	5,808,112	2,715,321
2034-2038	6,323,721	1,531,287
2039-2043	3,478,271	536,929
2044-2048	858,977	20,379
Total	\$ 25,705,555	\$ 8,849,785

c. **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
2024	\$ -	\$ 263,358
2025	-	263,358
2026	5,215,000	131,679
2027	-	-
2028	-	-
Total	\$ 5,215,000	\$ 658,395

d. **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.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

General Obligation Bonds

\$16,095,000 Refunding Bonds 2013 due on June 1 and December 1; interest at 2.5-4.0%	\$ 3,150,000
\$5,485,000 Refunding Bonds 2015 due on May 1 and November 1; interest at 2.27%	1,884,000
\$5,044,000 Refunding Bonds 2017 due on June 1 and December 1; interest at 2.39%	2,905,000
\$34,665,000 Limited Obligation 2018 due on April 1 and October 1; interest at 3.75-5%	27,120,000
\$6,060,000 Limited Obligation, Series 2021 due on March 1 and September 1; interest at 1.32%	4,960,000
Total	<u>\$ 40,019,000</u>

*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
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	3,104,000	903,497
2029-2033	11,034,000	2,895,223
2034-2038	6,950,000	1,051,188
2039-2043	1,390,000	26,063
Total	<u>\$ 40,019,000</u>	<u>\$ 9,968,445</u>

At June 30, 2023, Granville County had a legal debt margin of \$357,450,342.

The System's notes payable at September 30, 2022, are comprised of the following:

Note payable monthly at 3.73% interest; principal and interest payable semi-annually of \$79,324 through July 2027; collateralized by real estate	\$ 717,593
Note payable at 4.22%, principal due annually of \$290,000 plus interest through May 2038; collateralized by building and guaranteed by County	4,640,000
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	11,685,024
Note payable monthly at 4.38% interest, principal and interest monthly of \$5,965 through September 2023	73,776
Total	<u>\$ 17,116,393</u>

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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

<u>Year Ending Sept 30</u>	<u>Amount</u>
2023	\$ 832,965
2024	789,724
2025	792,800
2026	824,101
2027	845,403
Thereafter	<u>13,031,403</u>
Total	<u>\$ 17,116,396</u>

e. **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.

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.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

f. **Long-Term Obligation Activity:**

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2023:

	Beginning Balance July 1, 2022		Ending Balance June 30, 2023		Current Portion of Balance
Governmental Activities:	Increases	Decreases			
General obligation bonds	\$ 45,821,000	\$ -	\$ 5,802,000	\$ 40,019,000	\$ 5,647,000
Plus: Premiums on issuance	4,083,953	-	298,679	3,785,274	298,679
Total General Obligation Bonds	49,904,953	-	6,100,679	43,804,274	5,945,679
Direct Placement Installment Purchases	27,509,698	-	1,804,143	25,705,555	1,808,072
Certificates of participation	5,215,000	-	-	5,215,000	-
Lease liabilities	1,691,893	-	364,402	1,327,491	371,224
Subscriptions payable	56,928	217,587	116,134	158,381	84,134
Compensated Absences	1,577,872	1,078,521	1,123,198	1,533,195	383,299
Total pension liability (LGERS)	2,857,409	8,431,776	-	11,289,185	-
Total OPEB Liability	23,050,179	-	5,830,219	17,219,960	-
Total pension liability (LEOSSA)	2,973,895	-	318,969	2,654,926	-
Total governmental activities	\$ 114,837,827	\$ 9,727,884	\$ 15,657,744	\$ 108,907,967	\$ 8,592,408
Business-type Activities:					
Lease liabilities	\$ 12,104	\$ -	\$ 5,767	\$ 6,337	\$ 5,811
Accrued landfill closure and post-closure costs	9,032,089	588,607	-	9,620,696	-
Compensated absences	27,155	16,640	12,935	30,860	7,715
Total pension liability (LGERS)	43,234	127,578	-	170,812	-
Total OPEB liability	308,332	-	77,988	230,344	-
Total Business-type activities	\$ 9,410,810	\$ 732,825	\$ 90,923	\$ 10,052,712	\$ 7,715

Total pension liability (LGERS), total pension liability (LEOSSA), 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, 2022:

	Beginning Balance Sept 30, 2021		Ending Balance Sept 30, 2022		Current Portion of Balance
Governmental Activities:	Increases	Decreases			
Installment Purchases	\$ 17,993,860	\$ -	\$ 877,467	\$ 17,116,393	\$ 832,962
Compensated absences	2,077,418	793,740	-	2,871,158	-
Total pension liability (LGERS)	5,063,014	14,148,305	-	19,211,319	-
Total governmental activities	\$ 25,134,292	\$ 14,942,045	\$ 877,467	\$ 39,198,870	\$ 832,962

**GRANVILLE COUNTY, NORTH CAROLINA
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C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2023 consist of the following:

From ARPA Fund to General Fund for revenue replacement.	\$ 9,387,820
From General Fund to Triangle North Fund to support project expenditures.	5,100,000
From General Fund to Solid Waste Management Fund to support operations and capital outlay purchases.	6,692,250
Total	<u>\$ 21,180,070</u>

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
	<u>\$ 713,535</u>

D. Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2023 is composed of the following elements:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets (Net of depreciation)	\$ 77,955,767	\$ 9,668,835
Right to use leased assets (net of amortization)	1,607,191	7,189
Capital debt calculation:		
Total debt, gross	76,052,320	6,337
Less:		
School debt for assets to which the county does not hold title	(29,514,402)	-
System debt for assets which the county does not hold title	(16,431,555)	-
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	<u>32,655,218</u>	<u>6,337</u>
Net investment in capital assets	<u>\$ 46,907,740</u>	<u>\$ 9,669,687</u>

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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	\$ 49,134,592
Less:	
Prepaid Assets	6,200
Leases	50,215
Stabilization by State Statute	6,151,810
Appropriated fund balance in 2024 budget	3,601,376
Education	4,410,356
Register of Deeds	112,665
Tax Revaluation	620,272
Public Safety	1,910,755
Human Services	4,679,865
Economic and Physical Development	1,600,000
Community Service	2,200,000
Working Capital / Fund Balance Policy	23,057,123
Remaining Fund Balance	733,956

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. 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 \$780,778 and \$452,681 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2023. 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, 2023. 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 COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Granville-Vance Health District

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

Area Mental Health

Granville County participates with Alamance, Cabarrus, Caswell, Chatham, Davidson, Franklin, Halifax, Orange, Person, Rowan, Stanly, Union, Vance, and Warren counties in an Area Authority and Managed Care Organization operated by 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, 2023. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$131,588 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, 2023. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$33,750 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

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 \$24,204 to the Council during the fiscal year ended June 30, 2023. Complete financial statements for the Council may be obtained from the Council's administrative offices at 510 Dabney Drive, Henderson, N.C. 27536.

**GRANVILLE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE VI: Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted

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.

NOTE VII: Significant Effects of Subsequent Events

The County has evaluated events and transactions that occurred between June 30, 2023 and January 15, 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.

NOTE IX: Prior Period Adjustments

Prior period adjustments were made to the General Fund that decreased fund balance by \$13,188. These adjustment were to record a correction to forfeiture funds that were received which had been deposited into the Forfeiture - Treasury checking account, which should have been deposited into the Forfeiture - Department of Justice account.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

- 1 ~ Schedule of County's Proportionate Share of Total Pension Liability (Asset) for (LGERS)
- 2 ~ Schedule of County Contributions (LGERS)
- 3 ~ Schedule of County's Proportionate Share of Total 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

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

Local Government Employees' Retirement System					
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's proportion of the total pension liability (asset) (%)	0.203%	0.189%	0.182%	0.179%	0.177%
County's proportion of the total pension liability (asset) (\$)	\$ 11,459,997	\$ 2,900,643	\$ 6,507,209	\$ 4,884,254	\$ 4,203,316
County's covered payroll	\$ 15,657,137	\$ 14,665,956	\$ 13,758,827	\$ 13,461,599	\$ 12,597,654
County's proportionate share of the total pension liability (asset) as a percentage of its covered payroll	73.19%	19.78%	47.29%	36.28%	33.37%
Plan fiduciary net position as a percentage of the total pension liability**	84.14%	95.51%	88.61%	90.86%	92.00%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the total pension liability (asset) (%)	0.180%	0.181%	0.180%	0.182%	0.186%
County's proportion of the total pension liability (asset) (\$)	\$ 2,745,928	\$ 3,832,725	\$ 807,011	\$ (1,070,625)	\$ 2,237,193
County's covered payroll	\$ 12,039,675	\$ 11,595,359	\$ 11,078,798	\$ 11,056,961	\$ 10,899,278
County's proportionate share of the total pension liability (asset) as a percentage of its covered payroll	22.81%	33.05%	7.28%	-9.68%	20.53%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	91.47%	98.09%	102.64%	94.35%

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

** 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 Ten Fiscal Years

Local Government Employees' Retirement System					
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 2,000,312	\$ 1,807,295	\$ 1,518,988	\$ 1,260,879	\$ 1,064,421
Contributions in relation to the contractually required contribution	2,000,312	1,807,295	1,518,988	1,260,879	1,064,421
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 16,230,760	\$ 15,657,137	\$ 14,665,956	\$ 13,758,827	\$ 13,461,599
Contributions as a percentage of covered payroll	12.32%	11.54%	10.36%	9.16%	7.91%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 971,019	\$ 900,473	\$ 794,490	\$ 791,446	\$ 786,842
Contributions in relation to the contractually required contribution	971,019	900,473	794,490	791,446	786,842
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 12,597,654	\$ 12,039,675	\$ 11,595,359	\$ 11,078,798	\$ 11,056,961
Contributions as a percentage of covered payroll	7.71%	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 Total Pension Liability (Asset)
Register of Deeds' Supplemental Pension Fund
Last Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's proportionate share of the total pension (asset) liability (%)	0.457%	0.457%	0.464%	0.402%	0.472%
County's proportionate share of the total pension (asset) liability (\$)	\$ (60,550)	\$ (87,778)	\$ (106,230)	\$ (79,410)	\$ (78,151)
Plan fiduciary net position as a percentage of the total pension liability **	139.04%	156.53%	173.62%	164.11%	153.31%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportionate share of the total pension (asset) liability (%)	0.481%	0.439%	0.459%	0.457%	0.427%
County's proportionate share of the total pension (asset) liability (\$)	\$ (82,034)	\$ (82,098)	\$ (106,274)	\$ (103,658)	\$ (91,205)
Plan fiduciary net position as a percentage of the total pension liability **	153.77%	160.17%	197.29%	193.88%	190.50%

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

** 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 Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's required contribution	\$ 4,019	\$ 5,243	\$ 5,483	\$ 4,438	\$ 3,823
Contributions in relation to contractually required contribution	<u>4,019</u>	<u>5,243</u>	<u>5,483</u>	<u>4,438</u>	<u>3,823</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's required contribution	\$ 4,038	\$ 4,228	\$ 3,928	\$ 3,670	\$ -
Contributions in relation to contractually required contribution	<u>4,038</u>	<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>	<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 Seven Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Beginning Balance	\$ 2,973,895	\$ 2,782,212	\$ 1,920,442	\$ 1,648,569
Service Cost	147,540	151,298	85,321	82,772
Interest on the total pension liability	65,551	52,785	62,006	59,184
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	84,397	164,408	1,338	114,213
Changes of assumptions or other inputs	(495,384)	(82,292)	749,917	60,972
Benefit payments	(121,073)	(94,516)	(36,812)	(45,268)
Other changes	-	-	-	-
Ending balance of the total pension liability	<u>\$ 2,654,926</u>	<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.

There are no assets accumulated in a trust that meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability	\$ 2,654,926	\$ 2,973,895	\$ 2,782,212	\$ 1,920,442
Covered payroll	3,315,554	3,283,084	2,949,327	2,983,525
Total pension liability as a percentage of covered payroll	80.07%	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 Six Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB Liability			
Service cost	\$ 541,492	\$ 527,048	\$ 475,354
Interest on the total pension liability	510,048	500,960	649,212
Differences between expected and actual experience	(1,953,724)	(160,221)	(748,217)
Changes of assumptions or other inputs	(4,429,643)	528,609	4,084,729
Benefit payments	<u>(576,380)</u>	<u>(355,464)</u>	<u>(430,404)</u>
Net change in total OPEB liability	(5,908,207)	1,040,932	4,030,674
Total OPEB liability - beginning	<u>23,358,511</u>	<u>22,317,579</u>	<u>18,286,905</u>
Total OPEB liability - ending	<u>\$ 17,450,304</u>	<u>\$ 23,358,511</u>	<u>\$ 22,317,579</u>
Covered-employee payroll	\$ 6,592,740	\$ 7,261,801	\$ 7,261,801
Total OPEB liability as a percentage of covered payroll	264.69%	321.66%	307.33%
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 420,482	\$ 531,757	\$ 613,574
Interest on the total pension liability	631,730	634,212	571,146
Differences between expected and actual experience	(66,409)	(1,432,377)	(81,566)
Changes of assumptions or other inputs	1,209,558	(1,005,173)	(1,964,694)
Benefit payments	<u>(293,825)</u>	<u>(313,276)</u>	<u>(284,256)</u>
Net change in total OPEB liability	1,901,536	(1,584,857)	(1,145,796)
Total OPEB liability - beginning	<u>16,385,369</u>	<u>17,970,226</u>	<u>19,116,022</u>
Total OPEB liability - ending	<u>\$ 18,286,905</u>	<u>\$ 16,385,369</u>	<u>\$ 17,970,226</u>
Covered-employee payroll	\$ 9,186,294	\$ 9,186,294	\$ 9,248,413
Total OPEB liability as a percentage of covered payroll	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:

2023	3.54%
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

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

There are no assets accumulated in a trust that meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

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Combining and Individual Fund
Statements and Schedules

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MAJOR GOVERNMENTAL FUNDS

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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, 2023

	2023		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Ad valorem Taxes			
Current year	\$ 43,629,780	\$ 44,882,855	\$ 1,253,075
Prior Year	500,000	516,655	16,655
Penalties and interest	183,500	271,105	87,605
Total	<u>44,313,280</u>	<u>45,670,615</u>	<u>1,357,335</u>
Sales and Other Taxes			
Article 39 one percent		3,062,332	
Article 40 one-half of one percent		5,127,707	
Article 42 one-half of one percent		2,769,578	
Article 44 one-half of one percent		1,901,349	
State excise tax - Register of Deeds		399,640	
Beer and wine		171,435	
Taxes on federal exempt land		27,632	
Medicaid hold harmless		3,816,655	
Occupancy taxes		321,186	
Total	<u>14,695,000</u>	<u>17,597,514</u>	<u>2,902,514</u>
Licenses, Fees and Other Revenues			
Privilege licenses		3,295	
Taxes on Oxford Housing Authority Planning		6,647	
Inspection		65,098	
Boarding state and federal prisoners		614,931	
Ambulance fees		24,125	
Library fees		6,169	
Rents		16,155	
Sheriff's fees		44,624	
Election fees		99,168	
Franchise fees		10	
Animal control		101,338	
Collection fees		30,284	
Senior Center fitness fees		149,562	
Register of Deeds		5,220	
GAP fees		239,571	
Federal interest subsidy		35,993	
E-911 allocation from Oxford		234,104	
Book Sales		173,630	
Miscellaneous		1,337	
Sale of capital assets		374,416	
Total	<u>2,602,557</u>	<u>2,225,792</u>	<u>(376,765)</u>

Granville County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance Positive (Negative)
	Budget	Actual	
Restricted Intergovernmental			
Debt Contribution from hospital		1,447,496	
Court facility fees		58,669	
CSC officer's fees		11,943	
Register of Deeds		38,502	
ABC bottle tax		34,874	
Federal and State grants		7,172,944	
Excise recreation - Heritage		368,895	
Jail fees		36,909	
Sheriff Federal treasury seized funds		283,484	
Sheriff wage refund		409,332	
Miscellaneous		137,246	
Total	11,548,204	10,000,294	(1,547,910)
Investment earnings	30,000	1,871,725	1,841,725
Miscellaneous			
Granville County ABC Board	145,000	157,294	12,294
Total	145,000	157,294	12,294
 Total Revenues	 73,334,041	 77,523,234	 4,189,193
Expenditures			
<u>General Government:</u>			
Board of Commissioners			
Salaries and employee benefits		149,611	
Other operating expenditures		148,054	
Capital outlay		3,684	
Total	332,298	301,349	30,949
Administration			
Salaries and employee benefits		649,065	
Other operating expenditures		45,909	
Capital outlay		5,097	
Total	758,572	700,071	58,501

Granville County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance Positive (Negative)
	Budget	Actual	
Information Technology			
Salaries and employee benefits		302,017	
Other operating expenditures		544,710	
Capital outlay		4,103	
Total	<u>894,326</u>	<u>850,830</u>	<u>43,496</u>
Board of Elections			
Salaries and employee benefits		342,296	
Other operating expenditures		158,240	
Total	<u>592,734</u>	<u>500,536</u>	<u>92,198</u>
Finance Department			
Salaries and employee benefits		386,185	
Other operating expenditures		157,886	
Capital outlay		2,582	
Total	<u>599,066</u>	<u>546,653</u>	<u>52,413</u>
Tax Administration			
Salaries and employee benefits		607,258	
Other operating expenditures		350,928	
Capital outlay		3,737	
Total	<u>1,055,212</u>	<u>961,923</u>	<u>93,289</u>
Register of Deeds			
Salaries and employee benefits		323,104	
Other operating expenditures		47,382	
Total	<u>411,584</u>	<u>370,486</u>	<u>41,098</u>
General Services/Court Facilities			
Salaries and employee benefits		300,961	
Other operating expenditures		321,482	
Capital outlay		4,918	
Total	<u>690,631</u>	<u>627,361</u>	<u>63,270</u>
Human Resources			
Salaries and employee benefits		189,470	
Other operating expenditures		100,342	
Total	<u>305,603</u>	<u>289,812</u>	<u>15,791</u>

Granville County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance Positive (Negative)
	Budget	Actual	
Internal Auditor			
Salaries and employee benefits		101,565	
Other operating expenditures		2,686	
Total	168,688	104,251	64,437
<u>Total General Government</u>	5,808,714	5,253,272	555,442
<u>Public safety:</u>			
Other Emergency Services	70,000	50,900	19,100
Sheriff's Department/Detention Center			
Salaries and employee benefits		7,699,800	
Other operating expenditures		2,876,203	
Capital outlay		200,599	
Total	11,850,657	10,776,602	1,074,055
DOJ Funds			
Forfeitures		216,506	
Capital Outlay		260,292	
Total	543,600	476,798	66,802
Forestry			
Salaries and employee benefits		40,052	
Other operating expenditures		56,544	
Total	122,230	96,596	25,634
Emergency Management			
Salaries and employee benefits		335,570	
Other operating expenditures		121,629	
Capital outlay		40,590	
Total	610,775	497,789	112,986
Emergency Services			
Salaries and employee benefits		2,072,145	
Other operating expenditures		1,107,601	
Capital outlay		50,160	
Total	3,573,693	3,229,906	343,787
<u>Total Public Safety</u>	16,770,955	15,128,591	1,642,364

Granville County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance Positive (Negative)
	Budget	Actual	
<u>Community Services:</u>			
Cooperative Extension Service			
Salaries and employee benefits		289,182	
Other operating expenditures		96,778	
Capital outlay		16,100	
Total	467,743	402,060	65,683
County Library System			
Salaries and employee benefits		1,016,214	
Other operating expenditures		424,321	
Capital outlay		11,096	
Total	1,508,255	1,451,631	56,624
Recreation & Community Service			
Other operating expenditures		236,504	
Total	284,423	236,504	47,919
Development Services			
Planning			
Salaries and employee benefits		402,822	
Other operating expenditures		19,738	
Inspection Department			
Salaries and employee benefits		748,797	
Other operating expenditures		47,617	
Capital outlay		14,967	
Construction Administration			
Other operating expenditures		209	
Capital outlay		997,502	
Total	3,932,135	2,231,652	1,700,483
Soil Conservation Program			
Salaries and employee benefits		84,686	
Other operating expenditures		2,197	
Total	94,382	86,883	7,499
Jonesland Park Operations			
Salaries and employee benefits		340,177	
Other operating expenditures		159,422	
Capital outlay		51,022	
Total	620,404	550,621	69,783

Granville County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance Positive (Negative)
	Budget	Actual	
Economic Development			
Salaries and employee benefits		322,673	
Other operating expenditures		114,235	
Capital outlay		11,773	
Total	491,416	448,681	42,735
Tourism			
Salaries and employee benefits		82,351	
Total	85,107	82,351	2,756
<u>Total Community Service</u>	<u>7,483,865</u>	<u>5,490,383</u>	<u>1,993,482</u>
<u>Human Services:</u>			
Health and Medical Services			
Granville Medical Center		3,464,805	
Granville-Vance District Health Dept.		1,095,030	
Area Mental Health		142,283	
Total	5,945,040	4,702,118	1,242,922
Social Services			
Salaries and employee benefits		6,063,058	
Other operating expenditures		1,612,981	
Capital outlay		19,759	
Total	9,179,989	7,695,798	1,484,191
Veterans Services			
Salaries and employee benefits		103,472	
Other operating expenditures		8,813	
Capital outlay		485	
Total	134,566	112,770	21,796
Senior Services-Nutrition/In-Home Aid			
Salaries and employee benefits		760,339	
Other operating expenditures		694,010	
Capital outlay		34,375	
Total	1,702,353	1,488,724	213,629
<u>Total Human Services</u>	<u>16,961,948</u>	<u>13,999,410</u>	<u>2,962,538</u>

Granville County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance Positive (Negative)
	Budget	Actual	
<u>Education:</u>			
Granville County School System			
Current Expense	18,063,294	18,063,294	-
Capital	2,030,770	2,030,770	-
21st Century School Grant	220,131	129,886	90,245
Total	<u>20,314,195</u>	<u>20,223,950</u>	<u>90,245</u>
Vance-Granville Community College			
Operating expenditures		780,778	
Capital Outlay		452,681	
Total	<u>1,233,588</u>	<u>1,233,459</u>	<u>-</u>
<u>Total Education</u>	<u>21,547,783</u>	<u>21,457,409</u>	<u>90,245</u>
<u>Non-Departmental & Special Areas</u>			
Special Projects	437,631	418,403	19,228
Pass Thru Funds	770,550	763,706	6,844
Non-Departmental	4,276,173	3,416,836	859,337
Granville County Tourism Development	250,000	320,983	(70,983)
Contingency	233,637	-	233,637
Total Non-Departmental & Special Areas	<u>5,967,991</u>	<u>4,919,928</u>	<u>1,048,063</u>
<u>Debt Service</u>			
Hospital Financing			
Principal		759,104	
Interest		688,392	
Total	<u>1,447,509</u>	<u>1,447,496</u>	<u>13</u>
Park Financing			
Principal		19,729	
Interest		1,987	
Total	<u>21,716</u>	<u>21,716</u>	<u>-</u>
Water & Sewer Allocation-Triangle North			
Principal		639,000	
Interest		78,229	
Total	<u>717,229</u>	<u>717,229</u>	<u>-</u>

Granville County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance Positive (Negative)
	Budget	Actual	
Schools Debt Service			
Principal		4,373,310	
Interest		1,081,711	
Total	<u>5,802,697</u>	<u>5,455,021</u>	<u>347,676</u>
Library Series 2009			
Principal		425,000	
Interest		68,015	
Total	<u>493,015</u>	<u>493,015</u>	<u>-</u>
Law Enforcement Center Debt			
Principal		1,390,000	
Interest		1,083,605	
Total	<u>2,473,682</u>	<u>2,473,605</u>	<u>77</u>
Total Debt Service	<u>10,955,848</u>	<u>10,608,082</u>	<u>347,766</u>
Total expenditures	<u>85,497,104</u>	<u>76,857,075</u>	<u>8,639,900</u>
Revenue over (under) expenditures	<u>(12,163,063)</u>	<u>666,159</u>	<u>12,829,222</u>
Other financing sources (uses):			
Transfers-in:			
ARPA Fund	10,000,000	9,387,820	(612,180)
Total transfers-in	<u>10,000,000</u>	<u>9,387,820</u>	<u>(612,180)</u>
Transfers-out:			
CARES / HAVA Grant	(1,300)	-	1,300
Stovall Senior Center	(2,000,000)	-	2,000,000
Triangle North Fund	(5,100,000)	(5,100,000)	-
Solid Waste Management Fund	(6,692,250)	(6,692,250)	-
Intrafund Transfer	(15,000)	-	15,000
Total transfers-out	<u>(13,808,550)</u>	<u>(11,792,250)</u>	<u>2,016,300</u>
Subscription based IT Arrangements	251,729	217,587	(34,142)
Fund balance appropriated	15,719,884	-	(15,719,884)
Total other financing sources (uses)	<u>12,163,063</u>	<u>(2,186,843)</u>	<u>(14,349,906)</u>
Excess of revenues and other sources over (under expenditures and other uses)	<u>\$ -</u>	<u>(1,520,684)</u>	<u>\$ (1,520,684)</u>
Fund balance- July 1		50,668,464	
Prior Period Adjustment (see Note IX)		<u>(13,188)</u>	
Fund balance- June 30		<u>\$ 49,134,592</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, 2023

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<u>REVENUES</u>					
Restricted intergovernmental revenues					
Federal and state grants	\$ 11,740,344	\$ -	\$ 9,387,820	\$ 9,387,820	\$ (2,352,524)
Interest	-	9,264	220,687	229,951	229,951
Total Revenues	11,740,344	9,264	9,608,507	9,617,771	(2,122,573)
<u>EXPENDITURES</u>					
ARPA Expenditures	1,740,344	-	-	-	1,740,344
Total Expenditures	1,740,344	-	-	-	1,740,344
Revenues over (under) expenditures	10,000,000	9,264	9,608,507	9,617,771	(382,229)
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers-in (out)	(10,000,000)	-	(9,387,820)	(9,387,820)	612,180
Total other financing sources (uses)	(10,000,000)	-	(9,387,820)	(9,387,820)	612,180
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ 9,264	220,687	\$ 229,951	\$ 229,951
Fund balance, beginning			9,264		
Fund balance, ending			\$ 229,951		

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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.

Fire Protection and Rescue Service Tax District Fund: This fund is used to allocate tax collected on behalf of providing fire protection services to citizens.

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.

Triangle North Fund: This is a construction project to develop the water and sewer infrastructure for the Triangle North Industrial hub.

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.

LATCF Fund: This is the LOCAL ASSISTANCE & TRIBAL CONSISTENCY fund, which is an ARP general revenue enhancement program. This fund is currently slated to fund 1.) a County website platform redesign 2.) an upgrade to the Econ Development office 3.) emergency shelter supplies and 4.) security enhancements at 141 Williamsboro Street.

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Granville County, North Carolina
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2023

Exhibit C-1
(continued)

	Special Revenue Funds							Fire Protection and Rescue Service District Fund	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	\$ 470,072	\$ 173,353	\$ -	\$ 53,101	\$ 80,042	\$ 79,837	\$ -	\$ 887,061	\$ 1,743,466
Restricted cash	-	-	-	-	-	-	492,696	-	492,696
Accounts receivable	55,310	-	-	-	-	-	-	19,152	74,462
Prepaid items	-	-	-	-	-	-	-	-	-
Total assets	\$ 525,382	\$ 173,353	\$ -	\$ 53,101	\$ 80,042	\$ 79,837	\$ 492,696	\$ 906,213	\$ 2,310,624
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ -	\$ 3,919	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,407	\$ 16,326
Due to other funds	-	-	400	-	-	-	-	-	400
Unspent grant funds	-	-	-	-	-	-	-	-	-
Total liabilities	-	3,919	400	-	-	-	-	12,407	16,726
Fund balances:									
Restricted:									
Stabilization by State Statute	55,310	-	-	-	-	-	-	-	55,310
General Government	-	-	-	53,101	-	-	-	-	53,101
Community Services	-	169,434	-	-	-	-	492,696	-	662,130
Education	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	79,837	-	-	79,837
Public Safety	470,072	-	-	-	80,042	-	-	893,806	1,443,920
Unassigned	-	-	(400)	-	-	-	-	-	(400)
Total fund balances	525,382	169,434	(400)	53,101	80,042	79,837	492,696	893,806	2,293,898
Total liabilities, deferred inflows of resources, and fund balances	\$ 525,382	\$ 173,353	\$ -	\$ 53,101	\$ 80,042	\$ 79,837	\$ 492,696	\$ 906,213	\$ 2,310,624

(continued)

Granville County, North Carolina
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2023

Exhibit C-1
(continued)

	Capital Project Funds							Total Non-Major Capital Project Funds	Total Non-Major Governmental Funds
	Granville Greenway Project Fund	Triangle North Fund	Falls Meadow Montgomery Place Project Fund	GAP Phase III Project Fund	School Repair Project Fund	Law Enforcement Center Fund	LATCF Fund		
ASSETS									
Current Assets:									
Cash and cash equivalents	\$ 97,263	\$ 5,100,000	\$ 237,445	\$ 90,335	\$ 1,827,869	\$ 46,918	\$ 49,181	\$ 7,449,011	\$ 9,192,477
Restricted cash	-	-	-	-	-	-	-	-	492,696
Accounts receivable	-	-	-	-	3,430	-	-	3,430	77,892
Prepaid items	-	-	-	-	-	-	-	-	-
Total assets	\$ 97,263	\$ 5,100,000	\$ 237,445	\$ 90,335	\$ 1,831,299	\$ 46,918	\$ 49,181	\$ 7,452,441	\$ 9,763,065
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,326
Due to other funds	-	-	229,287	-	-	-	-	229,287	229,687
Unspent grant funds	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	229,287	-	-	-	-	229,287	246,013
Fund balances:									
Restricted:									
Stabilization by State Statute	-	-	-	-	3,430	-	-	3,430	58,740
General Government	-	5,100,000	8,158	90,335	-	-	49,181	5,247,674	5,300,775
Community Services	97,263	-	-	-	-	-	-	97,263	759,393
Education	-	-	-	-	1,827,869	-	-	1,827,869	1,827,869
Human Services	-	-	-	-	-	-	-	-	79,837
Public Safety	-	-	-	-	-	46,918	-	46,918	1,490,838
Unassigned	-	-	-	-	-	-	-	-	(400)
Total fund balances	97,263	5,100,000	8,158	90,335	1,831,299	46,918	49,181	7,223,154	9,517,052
Total liabilities, deferred inflows of resources, and fund balances	\$ 97,263	\$ 5,100,000	\$ 237,445	\$ 90,335	\$ 1,831,299	\$ 46,918	\$ 49,181	\$ 7,452,441	\$ 9,763,065

Granville County, North Carolina
Non-Major Governmental Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2023

Exhibit C-2
(continued)

	Special Revenue Funds							Fire Protection and Rescue Service District Fund	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	\$ 363,724	\$ -	\$ -	\$ -	\$ -	\$ 187,103	\$ 492,696	\$ 2,084,791	\$ 3,128,314
Unrestricted intergovernmental revenues	-	-	-	-	-	-	-	-	-
Sales and other taxes	-	-	-	-	91,770	-	-	-	91,770
Licenses, fees, and other revenues	-	-	-	-	-	-	-	-	-
Investment earnings	5,858	6,810	-	-	-	-	-	-	12,668
Miscellaneous	-	3,484	-	-	-	-	-	-	3,484
Total revenues	<u>369,582</u>	<u>10,294</u>	<u>-</u>	<u>-</u>	<u>91,770</u>	<u>187,103</u>	<u>492,696</u>	<u>2,084,791</u>	<u>3,236,236</u>
EXPENDITURES									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	248,761	-	-	-	89,269	-	-	1,190,985	1,529,015
Community services	-	25,010	-	-	-	-	-	-	25,010
Human Services	-	-	-	-	-	177,343	-	-	177,343
Education	-	-	-	-	-	-	-	-	-
Total expenditures	<u>248,761</u>	<u>25,010</u>	<u>-</u>	<u>-</u>	<u>89,269</u>	<u>177,343</u>	<u>-</u>	<u>1,190,985</u>	<u>1,731,368</u>
Revenues over (under) Expenditures	<u>120,821</u>	<u>(14,716)</u>	<u>-</u>	<u>-</u>	<u>2,501</u>	<u>9,760</u>	<u>492,696</u>	<u>893,806</u>	<u>1,504,868</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>	<u>-</u>
Change in Fund Balances	120,821	(14,716)	-	-	2,501	9,760	492,696	893,806	1,504,868
Fund balance, beginning	<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>-</u>	<u>789,030</u>
Fund Balance, ending	<u>\$ 525,382</u>	<u>\$ 169,434</u>	<u>\$ (400)</u>	<u>\$ 53,101</u>	<u>\$ 80,042</u>	<u>\$ 79,837</u>	<u>\$ 492,696</u>	<u>\$ 893,806</u>	<u>\$ 2,293,898</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, 2023

Exhibit C-2
(continued)

	Capital Project Funds							Total Non-Major Capital Project Funds	Total Non-Major Governmental Funds
	Granville Greenway Project Fund	Triangle North Fund	Falls Meadow Montgomery Place Project Fund	GAP Phase III Project Fund	School Repair Project Fund	Law Enforcement Center Fund	LATCF Fund		
REVENUES									
Restricted intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 3,178,314
Unrestricted intergovernmental revenues	-	-	-	-	-	-	-	-	-
Sales and other taxes	-	-	-	-	-	-	-	-	91,770
Licenses, fees, and other revenues	-	-	10,703	-	-	-	-	10,703	10,703
Investment earnings	-	-	-	-	-	45,056	-	45,056	57,724
Miscellaneous	-	-	-	-	-	-	-	-	3,484
Total revenues	-	-	10,703	-	-	45,056	50,000	105,759	3,341,995
EXPENDITURES									
General Government	-	-	-	-	-	-	819	819	819
Public Safety	-	-	-	-	-	-	-	-	1,529,015
Community services	-	-	-	-	-	-	-	-	25,010
Human Services	-	-	-	-	-	-	-	-	177,343
Education	-	-	-	-	416,519	-	-	416,519	416,519
Total expenditures	-	-	-	-	416,519	-	819	417,338	2,148,706
Revenues over (under) Expenditures	-	-	10,703	-	(416,519)	45,056	49,181	(311,579)	1,193,289
OTHER FINANCING SOURCES (USES)									
Transfers in (out)									
General Fund	-	5,100,000	-	-	-	-	-	5,100,000	5,100,000
Total other financing sources (uses)	-	5,100,000	-	-	-	-	-	5,100,000	5,100,000
Change in Fund Balances	-	5,100,000	10,703	-	(416,519)	45,056	49,181	4,788,421	6,293,289
Fund balance, beginning	97,263	-	(2,545)	90,335	2,247,818	1,862	-	2,434,733	3,223,763
Fund Balance, ending	\$ 97,263	\$ 5,100,000	\$ 8,158	\$ 90,335	\$ 1,831,299	\$ 46,918	\$ 49,181	\$ 7,223,154	\$ 9,517,052

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, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<u>REVENUES</u>			
Restricted intergovernmental revenues			
State Cell Surcharge	\$ 363,724	\$ 363,724	\$ -
Investment earnings	-	5,858	5,858
Total revenues	<u>363,724</u>	<u>369,582</u>	<u>5,858</u>
<u>EXPENDITURES</u>			
Public safety			
Telephone		77,440	
Other operating expenditures		162,045	
Capital outlay		9,276	
Total Expenditures	<u>363,724</u>	<u>248,761</u>	<u>114,963</u>
Revenues over (under) expenditures	<u>-</u>	<u>120,821</u>	<u>120,821</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>120,821</u>	<u>\$ 120,821</u>
<u>FUND BALANCE</u>			
Fund balance, beginning- July 1		<u>404,561</u>	
Fund balance, ending - June 30		<u>\$ 525,382</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		\$ 120,821	
Plus: Transfers to General Fund to adjust fund balance to the proper beginning balance		<u>-</u>	
Net Change per PSAP Revenue-Expenditure Report		120,821	
Beginning Balance, PSAP Revenue-Expenditure Report		<u>404,561</u>	
Ending Balance, PSAP Revenue-Expenditure Report		<u>\$ 525,382</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, 2023

	Budget	Actual	Variance Positive (Negative)
<u>REVENUES</u>			
Donations	\$ 20,000	\$ 3,484	\$ (16,516)
Investment earnings	-	6,810	6,810
Total Revenues	<u>20,000</u>	<u>10,294</u>	<u>(9,706)</u>
<u>EXPENDITURES</u>			
Projects	34,000	25,010	8,990
Total Expenditures	<u>34,000</u>	<u>25,010</u>	<u>8,990</u>
Revenues over (under) expenditures	<u>(14,000)</u>	<u>(14,716)</u>	<u>(716)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer-in (out)			
General Fund	-	-	-
Appropriated fund balance	14,000	-	(14,000)
Total Other Financing Sources (uses)	<u>14,000</u>	<u>-</u>	<u>(14,000)</u>
Revenues and Other Sources over (under) Expenditures and other uses	<u>\$ -</u>	<u>(14,716)</u>	<u>\$ (14,716)</u>
<u>FUND BALANCE</u>			
Fund balance, beginning- July 1		<u>184,150</u>	
Fund balance, ending - June 30		<u>\$ 169,434</u>	

Granville County, North Carolina
Coronavirus Relief Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
From Inception and for the Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
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>
<u>EXPENDITURES</u>					
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>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfer-in (out)					
General Fund	1,233,427	325,598	-	325,598	(907,829)
General Fund	(436,464)	(436,464)	-	(436,464)	-
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
From Inception and for the Year Ended June 30, 2023

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
CARES Act Grant	\$ 78,888	\$ 133,292	\$ -	\$ 133,292	\$ 54,404
HAVA Grant	60,028	60,028	-	60,028	-
Total Revenues	<u>138,916</u>	<u>193,320</u>	<u>-</u>	<u>193,320</u>	<u>54,404</u>
<u>EXPENDITURES</u>					
CARES Act Grant	83,772	83,772	-	83,772	-
HAVA Grant	60,209	60,209	-	60,209	-
Total Expenditures	<u>143,981</u>	<u>143,981</u>	<u>-</u>	<u>143,981</u>	<u>-</u>
Revenues over (under) expenditures	<u>(5,065)</u>	<u>49,339</u>	<u>-</u>	<u>49,339</u>	<u>54,404</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfer-in (out)					
General Fund	5,065	3,762	-	3,762	(1,303)
Total Other Financing Sources (uses)	<u>5,065</u>	<u>3,762</u>	<u>-</u>	<u>3,762</u>	<u>(1,303)</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, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<u>REVENUES</u>			
Sheriff Special Revenue	\$ 125,238	\$ 91,770	\$ (33,468)
Total Revenues	<u>125,238</u>	<u>91,770</u>	<u>(33,468)</u>
<u>EXPENDITURES</u>			
Public Safety:			
Sheriff Special Revenue	150,238	89,269	60,969
Total Expenditures	<u>150,238</u>	<u>89,269</u>	<u>60,969</u>
Revenues over (under) expenditures	<u>(25,000)</u>	<u>2,501</u>	<u>27,501</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Appropriated Fund Balance	25,000	-	(25,000)
Total Other Financing Sources (uses)	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Revenues and Other Sources over (under) Expenditures and other uses	<u>\$ -</u>	<u>2,501</u>	<u>\$ 2,501</u>
Fund balance, beginning, as previously reported		<u>77,541</u>	
Fund balance, ending		<u>\$ 80,042</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, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	<u>\$ 400,000</u>	<u>\$ 187,103</u>	<u>\$ (212,897)</u>
Expenditures:			
Human services			
Payments made for the benefit of beneficiaries	<u>400,000</u>	<u>177,343</u>	<u>222,657</u>
Other Financing Sources(Uses):			
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>9,760</u>	<u>\$ 9,760</u>
Fund balance, beginning		<u>70,077</u>	
Fund balance, ending		<u>\$ 79,837</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, 2023

	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	\$ -	\$ 492,696	\$ 492,696	\$ (3,307,667)
Total Revenues	3,800,363	-	492,696	492,696	(3,307,667)
<u>EXPENDITURES</u>					
Opioid Settlement Expenditures	3,800,363	-	-	-	3,800,363
Total Expenditures	3,800,363	-	-	-	3,800,363
Revenues over (under) expenditures	-	-	492,696	492,696	492,696
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers-in (out)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ -	492,696	\$ 492,696	\$ 492,696
Fund balance, beginning			-		
Fund balance, ending			\$ 492,696		

Granville County, North Carolina
Fire Protection and Rescue Service Tax District Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
For the Year Ended June 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	<u>\$ 1,876,108</u>	<u>\$ 2,084,791</u>	<u>\$ 208,683</u>
Expenditures:			
Tax distributions to other government	<u>1,876,108</u>	<u>1,190,985</u>	<u>685,123</u>
Other Financing Sources(Uses):			
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>893,806</u>	<u>\$ 893,806</u>
Fund balance, beginning		<u>-</u>	
Fund balance, ending		<u>\$ 893,806</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, 2023

	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	
Greenway Construction		481,843	-	481,843	
Total	<u>1,939,521</u>	<u>705,802</u>	<u>-</u>	<u>705,802</u>	<u>1,233,719</u>
Revenues over (under) expenditures	<u>(249,995)</u>	<u>(76,310)</u>	<u>-</u>	<u>(76,310)</u>	<u>173,685</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfer-in (out)					
General Fund	249,995	173,573	-	173,573	(76,422)
Total Other Financing Sources (Uses)	<u>249,995</u>	<u>173,573</u>	<u>-</u>	<u>173,573</u>	<u>(76,422)</u>
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 97,263</u>	<u>-</u>	<u>\$ 97,263</u>	<u>\$ 97,263</u>
Fund balance, beginning			<u>97,263</u>		
Fund balance, ending			<u>\$ 97,263</u>		

Granville County, North Carolina
Triangle North Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
From Inception and for the Year Ended June 30, 2023

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXPENDITURES</u>					
Water and Sewer Infrastructure	5,100,000	-	-	-	5,100,000
Total Expenditures	<u>5,100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,100,000</u>
Revenues over (under) expenditures	<u>(5,100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,100,000</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfer-in (out)					
General Fund	5,100,000	-	5,100,000	5,100,000	-
Total Other Financing Sources (uses)	<u>5,100,000</u>	<u>-</u>	<u>5,100,000</u>	<u>5,100,000</u>	<u>-</u>
Revenues and Other Sources over (under) Expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>5,100,000</u>	<u>\$ 5,100,000</u>	<u>\$ 5,100,000</u>
FUND BALANCE					
Fund balance, beginning- July 1			<u>-</u>		
Fund balance, ending - June 30			<u>\$ 5,100,000</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, 2023

	<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	\$ 333,063	\$ 10,703	\$ 343,766	\$ (36,304)
Total Revenues	<u>380,070</u>	<u>333,063</u>	<u>10,703</u>	<u>343,766</u>	<u>(36,304)</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>\$ (2,545)</u>	10,703	<u>\$ 8,158</u>	<u>\$ 8,158</u>
Fund balance, beginning- July 1			<u>(2,545)</u>		
Fund balance, ending - June 30			<u>\$ 8,158</u>		

Granville County, North Carolina
GAP Phase III Project Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual			Total to Date	Variance Positive (Negative)
		Prior Years	Current Year	Completed Project		
REVENUES						
Restricted Intergovernmental revenues:						
USTA Grant	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ (120,000)
Land & Water Conservation Fund Grant	250,000	-	-	-	-	(250,000)
PARTF Grant	300,000	-	-	-	-	(300,000)
Fifteen for 15 Campaign	27,000	-	-	-	-	(27,000)
Total Revenues	<u>697,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(697,000)</u>
EXPENDITURES						
Capital outlay						
GAP Phase III	<u>2,331,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,331,560</u>
Total Expenditures	<u>2,331,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,331,560</u>
Revenues over (under) expenditures	<u>(1,634,560)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,634,560</u>
OTHER FINANCING SOURCES (USES)						
Transfer-in (out)						
General Fund	<u>1,634,560</u>	<u>90,335</u>	<u>-</u>	<u>-</u>	<u>90,335</u>	<u>(1,544,225)</u>
Total Other Financing Sources (uses)	<u>1,634,560</u>	<u>90,335</u>	<u>-</u>	<u>-</u>	<u>90,335</u>	<u>(1,544,225)</u>
Revenues and Other Sources over (under) Expenditures and other uses	<u>\$ -</u>	<u>\$ 90,335</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 90,335</u>	<u>\$ 90,335</u>
FUND BALANCE						
Fund balance, beginning- July 1			<u>90,335</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, 2023

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
REVENUES					
Restricted intergovernmental revenues					
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Capital Outlay					
HVAC repair		9,883,340	-	9,883,340	
Roofing repair		2,541,283	416,519	2,957,802	
Legal and financing fees		82,559	-	82,559	
Total Expenditures	<u>14,755,000</u>	<u>12,507,182</u>	<u>416,519</u>	<u>12,923,701</u>	<u>1,831,299</u>
Revenues over (under) expenditures	<u>(14,755,000)</u>	<u>(12,507,182)</u>	<u>(416,519)</u>	<u>(12,923,701)</u>	<u>1,831,299</u>
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	<u>8,105,000</u>	<u>8,105,000</u>	<u>-</u>	<u>8,105,000</u>	<u>-</u>
Total other financing sources (uses)	<u>14,755,000</u>	<u>14,755,000</u>	<u>-</u>	<u>14,755,000</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 2,247,818</u>	<u>(416,519)</u>	<u>\$ 1,831,299</u>	<u>\$ 1,831,299</u>
Fund balance, beginning			<u>2,247,818</u>		
Fund balance, ending			<u>\$ 1,831,299</u>		

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, 2023

	Project Authorization	Actual			Total to Date	Variance Positive (Negative)
		Prior Years	Current Year	Completed Project		
REVENUES						
Miscellaneous						
Donations	\$ 521,806	\$ -	\$ -	\$ -	\$ -	\$ (521,806)
Interest on investments	-	1,862	45,056	-	46,918	46,918
Total Revenue	<u>521,806</u>	<u>1,862</u>	<u>45,056</u>	<u>-</u>	<u>46,918</u>	<u>(474,888)</u>
EXPENDITURES						
Capital Outlay:						
Miscellaneous	-	-	-	-	-	-
Total Expenditures	<u>35,285,093</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,285,093</u>
Revenues over (under) expenditures	<u>(34,763,287)</u>	<u>1,862</u>	<u>45,056</u>	<u>-</u>	<u>46,918</u>	<u>34,810,205</u>
OTHER FINANCING SOURCES (USES)						
Transfer-in (out)						
General Fund	5,763,287	-	-	-	-	(5,763,287)
Debt proceeds	29,000,000	-	-	-	-	(29,000,000)
Total Other Financing Sources (Uses)	<u>34,763,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,763,287)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 1,862</u>	<u>45,056</u>	<u>\$ -</u>	<u>\$ 46,918</u>	<u>\$ 46,918</u>
Fund balance, beginning			<u>1,862</u>			
Fund balance, ending			<u>\$ 46,918</u>			

Granville County, North Carolina
LATCF Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
REVENUES					
Restricted intergovernmental revenues					
LATCF Funds	\$ 100,000	\$ -	\$ 50,000	\$ 50,000	\$ (50,000)
Total Revenues	100,000	-	50,000	50,000	(50,000)
EXPENDITURES					
General government					
County Website Platform Overhaul & Redesign	60,000	-	-	-	60,000
Emergency Shelter Supplies	12,500	-	-	-	12,500
Personnel Security Enhancements - 141 Williamsboro Street	12,500	-	-	-	12,500
Economic Development Rehab & Refresh	15,000	-	819	819	14,181
Total Expenditures	100,000	-	819	819	99,181
Revenues over (under) expenditures	-	-	49,181	49,181	49,181
OTHER FINANCING SOURCES (USES)					
Transfers-in (out)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ -	49,181	\$ 49,181	\$ 49,181
Fund balance, beginning			-		
Fund balance, ending			\$ 49,181		

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.

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Granville County, North Carolina
Solid Waste Management
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2023

	2023		Variance Positive (Negative)
	Budget	Actual	
REVENUES			
Operating revenues			
Landfill user fees	\$ 1,650,175	\$ 1,110,296	\$ (539,879)
Solid waste charges	1,296,400	2,158,355	861,955
Other operating revenues			
Scrap tire disposal tax		115,382	
Solid waste disposal tax		40,856	
Compost/Mulch sales		6,250	
Cornwall Lease		76,350	
Miscellaneous		84,058	
Total other operating revenues	<u>192,500</u>	<u>322,896</u>	<u>130,396</u>
Total Operating Revenues	<u>3,139,075</u>	<u>3,591,547</u>	<u>452,472</u>
Non-Operating Revenues:			
Interest earned on investments	700,000	32,295	(667,705)
Total non-operating revenues	<u>700,000</u>	<u>32,295</u>	<u>(667,705)</u>
Total Revenues	<u>3,839,075</u>	<u>3,623,842</u>	<u>(215,233)</u>
EXPENDITURES			
Solid Waste Operations			
Supplies and materials		965	
Manned sites		406,972	
Oil and Anti-Freeze Disposal		682	
Freon Removal		6,444	
Waste disposal		431,025	
Road Side Cleanup		99,325	
Container transportation		290,152	
Maintenance and grounds		23,447	
Miscellaneous		990	
Total	<u>1,423,800</u>	<u>1,260,002</u>	<u>163,798</u>
Site remodeling and construction	46,440	27,298	19,142
Total Solid Waste Operations	<u>1,470,240</u>	<u>1,287,300</u>	<u>182,940</u>
Landfill Operations			
Salaries and employee benefits		334,795	
Professional services		117,075	
Gas, oil, tires		16,215	
Supplies and materials		4,905	
Brush grinding		49,261	
Travel		1,771	
Telephone and postage		5,320	
Utilities		7,548	
Maintenance and grounds		16,376	
Advertising		568	
Tire disposal		95,261	
Registration and training		790	
Contract services		936,262	
Noncapitalized equipment		1,894	
Miscellaneous		62,043	
Total Landfill Operations	<u>1,895,728</u>	<u>1,650,084</u>	<u>245,644</u>

continued

Granville County, North Carolina
Solid Waste Management
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2023

Convenience sites			
Professional services	10,000	5,585	4,415
Debt Service			
Principal	5,767	5,767	-
Interest	88	88	-
Total Debt Service	<u>5,855</u>	<u>5,855</u>	<u>-</u>
Budgetary Appropriations			
Capital outlay - landfill	4,876,320	5,400,676	(524,356)
Capital outlay - landfill closure costs	3,091,319	64,378	3,026,941
Total	<u>7,967,639</u>	<u>5,465,054</u>	<u>2,502,585</u>
Total Expenditures	<u>11,349,462</u>	<u>8,413,878</u>	<u>2,935,584</u>
Revenues over (under) expenditures	<u>(7,510,387)</u>	<u>(4,790,036)</u>	<u>2,720,351</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers-in/out			
General Fund	9,247,547	6,692,250	(2,555,297)
Fund Balance Appropriated			
Landfill	(1,936,000)	-	1,936,000
Solid Waste	198,840	-	(198,840)
Total other financing sources (uses)	<u>7,510,387</u>	<u>6,692,250</u>	<u>(818,137)</u>
Revenues over (under) sources and other uses	<u>\$ -</u>	<u>\$ 1,902,214</u>	<u>\$ 1,902,214</u>
<u>RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL</u>			
Excess of revenues over (under) expenditures		\$ 1,902,214	
Reconciling items:			
Depreciation		(142,332)	
Capital outlay		5,400,676	
Lease payments		5,767	
Amortization on right to use leased assets		(5,357)	
Increase (decrease) in deferred outflows of resources		30,138	
(Increase) decrease in total pension liability		(127,578)	
(Increase) decrease in deferred inflows of resources		8,405	
(Increase) decrease in accrued landfill closure and postclosure care costs		(536,107)	
(Increase) decrease in total OPEB liability		77,988	
(Increase) decrease in accrued vacation payable		(3,705)	
Net Income (loss)		<u>\$ 6,610,109</u>	

Granville County, North Carolina
Stormwater Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2023

	2023		Variance Positive (Negative)
	Budget	Actual	
<u>REVENUES</u>			
Operating revenues			
Stormwater fees	\$ 260,000	\$ 273,614	\$ 13,614
Other operating revenues			
Contributions	91,828	97,719	5,891
Total Revenues	<u>351,828</u>	<u>371,333</u>	<u>19,505</u>
<u>EXPENDITURES</u>			
Stormwater Operations			
Professional services		80,729	
Supplies and materials		578	
Dues and subscriptions		178,402	
Waste disposal		2,412	
Contracted services		68,976	
Maintenance		270	
Miscellaneous		1,038	
Total Operating Expenditures	<u>351,828</u>	<u>332,405</u>	<u>19,423</u>
Revenues over (under) expenditures	<u>-</u>	<u>38,928</u>	<u>38,928</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) sources and other uses	<u>\$ -</u>	<u>\$ 38,928</u>	<u>\$ 38,928</u>

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

Excess of revenues over (under) expenditures	\$ 38,928
Reconciling items:	
Increase (decrease) in deferred outflows of resources	-
(Increase) decrease in total pension liability	-
(Increase) decrease in deferred inflows of resources	-
(Increase) decrease in total OPEB liability	<u>-</u>
Net Income (loss)	<u>\$ 38,928</u>

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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.

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Granville County, North Carolina
County Health Plan Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2023

	2023		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Contributions from employees	\$ 3,649,377	\$ 3,567,032	\$ (82,345)
Total revenues	<u>3,649,377</u>	<u>3,567,032</u>	<u>(82,345)</u>
Expenditures			
Health insurance administration	819,017	926,002	(106,985)
Claims	<u>2,870,093</u>	<u>2,758,899</u>	<u>111,194</u>
Total expenditures	<u>3,689,110</u>	<u>3,684,901</u>	<u>4,209</u>
Revenues over (under) expenditures	<u>(39,733)</u>	<u>(117,869)</u>	<u>(78,136)</u>
Other Financing Sources (Uses)			
Appropriated fund balance	39,733	-	(39,733)
Total	<u>39,733</u>	<u>-</u>	<u>(39,733)</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>(117,869)</u>	<u>\$ (117,869)</u>
Fund balances			
Beginning of year, July 1		<u>423,159</u>	
End of year, June 30		<u>\$ 305,290</u>	
Reconciliation from financial plan basis (modified accrual) to full accrual:			
Total revenues		\$ 3,567,032	
Total expenditures		<u>3,684,901</u>	
Change in net position		<u>\$ (117,869)</u>	

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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.

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Granville County, North Carolina
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023

	Municipal Tax Fund	Jail Inmate Pay Fund	Sheriff Execution & Evidence Funds	Total Custodial Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ 4,242	\$ 129,475	\$ 133,717
Taxes receivable for other governments, net	73,323	-	-	73,323
Total assets	<u>73,323</u>	<u>4,242</u>	<u>129,475</u>	<u>207,040</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	73,323	4,242	129,475	207,040
Total net position	<u>\$ 73,323</u>	<u>\$ 4,242</u>	<u>\$ 129,475</u>	<u>\$ 207,040</u>

Granville County, North Carolina
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2023

	<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	\$ 10,574,165	\$ -	\$ -	\$ 10,574,165
Collections on behalf of inmates	-	232,226	-	232,226
Execution receipts	-	-	117,342	117,342
Total additions	<u>10,574,165</u>	<u>232,226</u>	<u>117,342</u>	<u>10,923,733</u>
DEDUCTIONS				
Tax distributions to other governments	10,708,012	-	-	10,708,012
Payments on behalf of inmates	-	235,537	-	235,537
Execution Disbursements	-	-	115,000	115,000
Total deductions	<u>10,708,012</u>	<u>235,537</u>	<u>115,000</u>	<u>11,058,549</u>
Net increase (decrease) in fiduciary net position	(133,847)	(3,311)	2,342	(134,816)
Net position, beginning	<u>207,170</u>	<u>7,553</u>	<u>127,133</u>	<u>341,856</u>
Net position, ending	<u>\$ 73,323</u>	<u>\$ 4,242</u>	<u>\$ 129,475</u>	<u>\$ 207,040</u>

OTHER SCHEDULES

This schedule contains additional information required on property taxes.

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

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Granville County, North Carolina
Schedule of Ad Valorem Taxes Receivable
General Fund
For the Year Ended June 30, 2023

<u>Fiscal Year</u>	<u>Uncollected Beginning Balance</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Ending Balance</u>
2022-2023	\$ -	\$ 45,733,690	\$ 45,273,710	\$ 459,980
2021-2022	425,546	-	321,331	104,215
2020-2021	200,145	-	114,011	86,134
2019-2020	67,115	-	36,157	30,958
2018-2019	56,407	-	22,676	33,731
2017-2018	31,218	-	9,625	21,593
2016-2017	25,861	-	7,074	18,787
2015-2016	16,373	-	4,411	11,962
2014-2015	35,530	-	1,929	33,601
2013-2014	27,306	-	1,697	25,609
2012-2013	30,275	-	30,275	-
Totals	\$ <u>915,776</u>	\$ <u>45,733,690</u>	\$ <u>45,822,896</u>	<u>826,570</u>
				<u>(224,000)</u>
				\$ <u>602,570</u>
 <u>Reconciliation with revenues:</u>				
				\$ 45,670,615
Ad valorem taxes - General Fund				(218,230)
Interest				334,773
Discounts, Fees, and Adjustments				35,738
Taxes written off				<u>152,281</u>
Total reconciling items				<u>152,281</u>
Total collections and credits				\$ <u>45,822,896</u>

Granville County
Analysis of Current Tax Levy
County-Wide Levy
For the Year Ended June 30, 2023

	County Wide				
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current years rate	\$ 4,557,332,619	0.840	\$ 38,281,594	\$ 38,281,594	\$ -
Motor Vehicles at current years rate	713,053,452	0.840	5,989,649	-	5,989,649
Total	<u>5,270,386,071</u>		<u>44,271,243</u>	<u>38,281,594</u>	<u>5,989,649</u>
Discoveries:					
Current and prior year's taxes	<u>223,369,762</u>	0.840	<u>1,876,306</u>	<u>1,876,306</u>	<u>-</u>
Abatements	<u>(49,268,985)</u>	0.840	<u>(413,859)</u>	<u>(413,859)</u>	<u>-</u>
Total Property Valuation	<u>\$ 5,444,486,848</u>				
Net Levy			45,733,690	39,744,041	5,989,649
Uncollected taxes June 30, 2023			<u>459,980</u>	<u>459,980</u>	<u>-</u>
Current years taxes collected			<u>\$ 45,273,710</u>	<u>\$ 39,284,061</u>	<u>\$ 5,989,649</u>
Current levy collection percentage			<u>98.99%</u>	<u>98.84%</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.

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 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	\$ 46,907,740
Restricted	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	21,986,910
Unrestricted	(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)	(35,134,106)
Total governmental activities net position	<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>	<u>33,760,544</u>
Business-type activities										
Net investment in capital assets	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	9,669,687
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(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)	(4,318,022)
Total business-type activities net position	<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>	<u>5,351,665</u>
Primary government										
Net investment in capital assets	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	56,577,427
Restricted	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	21,986,910
Unrestricted	(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)	(39,452,128)
Total primary government net position	<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>	<u>\$ 39,112,209</u>

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 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	\$ 9,723,242
Public safety	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	17,735,126
Transportation	156,779	173,068	192,910	198,866	198,866	197,224	-	-	-	-
Economic and physical development	476,826	753,782	668,747	717,586	951,127	1,363,072	98,607	196,631	490,477	484,299
Human Services	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	14,582,269
Community Services	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	6,123,309
Education	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	21,457,409
Interest on long-term debt	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	2,777,295
Total governmental activities expenses	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	72,882,949
Business-type activities										
Solid Waste	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	3,706,773
Stormwater	261,089	280,217	319,275	313,745	328,837	649,980	353,112	201,552	360,368	332,405
Total business-type activities	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	4,039,178
Total primary government expenses	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	76,922,127
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	527,492	487,489	554,483	523,328	579,242	480,581	549,422	582,862	618,730	487,211
Public Safety	676,055	817,649	938,960	838,781	767,356	1,301,830	1,235,574	1,246,015	1,295,517	1,297,289
Economic and physical development	-	-	-	-	-	-	-	32,476	15,404	10,703
Human Services	84,399	37,670	20,681	22,648	18,628	20,738	16,037	19,556	22,574	19,265
Community Services	243,873	258,978	306,025	326,800	366,764	357,883	448,387	591,894	676,291	559,622
Education	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions										
General Government	29,930	65,893	55,016	69,738	3,906	-	-	269,030	-	9,387,820
Public Safety	926,318	918,182	948,876	901,466	731,557	798,006	1,887,150	1,651,634	2,842,752	1,846,292
Transportation	191,221	807,152	397,308	209,041	317,421	327,578	-	-	-	23,232
Economic and physical development	58,986	438,483	220,568	459,405	63,291	884,283	535,007	577,493	78,840	7,545,133
Human Services	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	703,722
Community Services	138,529	136,599	136,826	166,602	180,057	137,790	108,997	108,694	130,345	-
Education	1,000,000	848,881	397,280	680,312	530,247	539,245	-	61,552	99,610	128,688
Capital grants and contributions										
General Government	-	-	-	-	-	6,403	-	-	-	-
Public Safety	-	-	-	-	770	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Economic and physical development	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	449,481
Total governmental activities program revenues	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	22,458,458

(continued)

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type activities										
Charges for services:										
Solid Waste	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	3,268,651
Stormwater	249,597	257,086	303,627	256,150	256,860	261,479	261,463	264,147	267,197	273,614
Operating grants and contributions	24,222	25,500	25,500	25,500	25,500	33,263	25,500	-	-	-
Capital grants and contributions	-	-	-	1,156	500	-	-	-	-	-
Total business-type activities program revenues	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	3,542,265
Total primary government program revenues	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	26,000,723
Net (expenses)/revenue										
Governmental activities										
General Government	(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)	151,789
Public Safety	(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)	(14,591,545)
Transportation	34,442	634,084	204,398	10,175	118,555	130,354	-	-	-	23,232
Economic and physical development	90,524	(248,320)	(335,151)	(258,181)	(887,836)	(321,459)	564,253	753,338	(116,233)	(7,071,537)
Human Services	(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)	(13,859,282)
Community Services	(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)	(5,563,687)
Education	(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)	(20,879,240)
Interest on long term debt	(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)	(2,777,295)
Business-type activities										
Solid waste	278,735	(192,065)	(113,825)	231,378	324,385	(1,488,172)	2,922,720	(136,477)	(298,031)	(438,122)
Stormwater	(11,492)	(23,131)	(15,648)	(56,439)	(71,477)	(388,501)	(91,649)	62,595	(93,171)	(58,791)
Total primary government net expenses	(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)	(50,921,404)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	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	45,621,457
Local option sales tax	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	12,860,966
Other taxes and licenses	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	6,922,676
Investment earnings	41,765	26,657	37,952	169,172	484,589	1,420,517	934,439	12,248	67,601	2,150,136
Miscellaneous	354,724	303,684	396,971	357,010	4,086,184	768,369	649,786	478,903	538,737	402,399
Transfers	-	-	-	-	(1,000,000)	-	-	-	-	(6,692,250)
Total general revenues, special items and transfers	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	61,265,384
Total governmental activities	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	61,265,384
Business-type activities:										
Investment earnings	1,778	1,534	4,863	11,872	16,085	21,387	14,322	259	1,379	32,295
Miscellaneous	104,247	84,583	87,748	79,627	93,627	79,798	82,396	50,861	404,227	420,615
Transfers	-	-	-	-	1,000,000	-	-	-	-	6,692,250
Total general revenues, special items and transfers	106,025	86,117	92,611	91,499	1,109,712	101,185	96,718	51,120	405,606	7,145,160
Total business-type activities	106,025	86,117	92,611	91,499	1,109,712	101,185	96,718	51,120	405,606	7,145,160
Total primary government	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	68,410,544
Changes in Net Position										
Governmental activities	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	10,840,893
Business-type activities	373,268	(129,079)	(36,862)	266,438	1,362,620	(1,775,488)	2,927,789	(22,762)	14,404	6,648,247
Total primary government	\$ 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	\$ 17,489,140

TABLE 3

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

Fiscal Year	Property Tax	Local Sales Tax	Alcoholic Beverage Tax	Occupancy Tax*	Other Tax	Total
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
2023	45,670,615	12,860,966	171,435	321,186	6,328,718	65,352,920

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable										
Prepaid items	\$ 1,635	\$ 1,916	\$ 1,711	\$ 1,542	\$ 1,855	\$ 4,000	\$ 4,000	\$ 6,200	\$ 6,200	\$ 6,200
Leases	-	-	-	-	-	-	-	-	63,047	50,215
Restricted										
Stabilization by State Statute	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	6,151,810
Register of Deeds	12,618	35,050	42,603	60,950	30,743	53,193	79,849	113,275	112,665	112,665
Human Services	3,538,668	-	-	-	5,800,692	2,695,571	1,403,761	1,484,280	1,564,676	1,564,676
Education	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	4,410,356
Community Servies	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Committed										
Tax Revaluation	392,987	491,351	591,041	376,543	-	105,086	212,638	317,698	318,208	620,272
Public Safety	1,022,524	1,091,381	994,675	812,043	791,710	704,631	573,758	447,334	615,870	410,755
Assigned										
Subsequent year's expenditures	1,874,511	1,884,639	594,708	386,385	418,603	2,313,755	2,955,337	5,645,236	3,466,276	3,601,376
Community Services	-	-	500,000	700,000	500,000	-	-	-	2,200,000	1,500,000
Economic & Physical Development	548,995	452,737	630,300	1,600,000	1,070,000	1,070,000	1,070,000	1,070,000	1,600,000	3,115,189
Public Safety	-	-	-	7,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,500,000	2,200,000
Human Services	-	-	-	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	1,600,000
Environmental Protection	-	-	-	1,000,000	-	-	-	-	-	-
Transportation	-	-	-	1,400,000	-	-	-	-	-	-
Education	-	-	-	-	7,000,000	-	-	-	-	-
Unassigned	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	23,791,078
Total General Fund	<u>\$ 32,160,927</u>	<u>\$ 37,633,543</u>	<u>\$ 39,846,793</u>	<u>\$ 44,528,612</u>	<u>\$ 48,018,105</u>	<u>\$ 42,555,547</u>	<u>\$ 44,557,283</u>	<u>\$ 45,693,486</u>	<u>\$ 50,668,464</u>	<u>\$ 49,134,592</u>
All other governmental funds										
Nonspendable										
Prepaid items	\$ 34,930	\$ 34,930	\$ 34,930	\$ 34,930	\$ 34,930	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Stabilization by State Statute	30,034	32,179	34,910	37,887	32,374	70,780	103,208	34,922	26,015	58,740
General Government	-	-	-	-	-	-	-	-	-	5,300,775
Education	29,023	4,247,438	-	-	6,688,873	9,291,586	3,080,780	2,739,679	2,244,387	1,827,869
Community Services	837,938	265,776	240,274	302,527	317,293	733,235	300,823	282,673	290,677	989,344
Human services	-	-	-	-	-	-	-	84,047	70,077	79,837
Public Safety	179,841	229,137	349,769	268,776	5,356,681	23,042,692	4,344,401	2,941,008	461,380	1,490,838
Economic & Physical Development	1,222,231	796,905	-	-	-	-	-	-	-	-
Committed										
Economic & Physical Development	-	-	-	-	-	-	-	-	-	-
Unassigned	(218,565)	-	(642,708)	-	(229,287)	(178,278)	(108,897)	(90,909)	140,491	(400)
Total other governmental funds	<u>\$ 2,115,432</u>	<u>\$ 5,606,365</u>	<u>\$ 17,175</u>	<u>\$ 644,120</u>	<u>\$ 12,200,864</u>	<u>\$ 32,960,015</u>	<u>\$ 7,720,315</u>	<u>\$ 5,991,420</u>	<u>\$ 3,233,027</u>	<u>\$ 9,747,003</u>

TABLE 5

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Ad Valorem taxes	\$ 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	\$ 45,670,615
Sales and other taxes	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	17,689,284
Licenses, fees and other revenue	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	2,236,495
Restricted Intergovernmental Revenues	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	22,566,428
Investment earnings	41,765	26,657	37,952	169,172	484,589	1,420,517	934,439	12,248	67,601	2,150,136
Miscellaneous	350,646	236,566	235,137	184,525	112,088	121,899	157,594	139,110	229,150	160,778
Total Revenues	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	90,473,736
Expenditures										
Current:										
General government	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	4,851,615
Public safety	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	16,071,513
Community services	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	5,428,213
Economic and physical development	27,644	56,777	103,287	-	-	-	-	-	-	-
Human Services	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	14,176,753
Non-departmental & special areas	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	4,919,928
Capital Outlay	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	1,492,268
Intergovernmental:										
Education	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	21,457,409
Debt service:										
Bond issuance cost	-	-	-	-	-	-	-	-	-	-
Principal	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	7,606,143
Interest	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	3,001,939
Total expenditures	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	79,005,781
Excess of revenues over (under) expenditures	(53,645)	(16,786,451)	(3,451,241)	5,308,764	2,165,430	(13,988,824)	(23,237,964)	(643,725)	(646,830)	11,467,955
Other financing sources (uses)										
Debt proceeds	-	25,750,000	5,485,000	-	18,949,000	34,665,000	-	6,060,000	-	-
Premium on debt	-	-	-	-	-	3,864,139	-	-	-	-
Payments to refunded bond escrow agent	-	-	(5,409,698)	-	(4,968,193)	(9,243,722)	-	(5,995,672)	-	-
Transfers in from other funds	487,105	617,535	490,426	663,301	6,829,996	11,722,559	1,722,114	1,327,420	2,318,547	14,487,820
Transfers out to other funds	(487,105)	(617,535)	(490,426)	(663,301)	(7,929,996)	(11,722,559)	(1,722,114)	(1,510,420)	(2,318,547)	(21,180,070)
Lease/SBITA Liabilities Issued	-	-	-	-	-	-	-	-	2,054,006	217,587
Total other financing sources (uses)	-	25,750,000	75,302	-	12,880,807	29,285,417	-	(118,672)	2,054,006	(6,474,663)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(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	4,993,292
Net change in fund balances	\$ (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	\$ 4,993,292
Debt service as a percentage of noncapital expenditures	14.88%	30.54%	16.51%	17.46%	16.29%	15.23%	15.92%	17.60%	16.19%	13.69%

TABLE 6

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

Fiscal Year	Property Tax	Sales Tax	Alcoholic Beverage Tax	Other Taxes	Total
2014	\$ 36,071,119	\$ 6,038,601	\$ 12,579	\$ 532,830	\$ 42,655,129
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
2023	45,670,615	12,860,966	34,874	919,893	59,486,348

**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
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	264,034,645	(76,359,881)	5,258,309,405	0.840	44,169,799	42,733,939	103.36%
2023	4,564,066,692	701,584,149	223,369,714	(49,268,985)	5,346,751,570	0.840	44,912,713	43,452,702	103.36%

Source: Granville County Tax Department

TABLE 8

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

	Fiscal Year										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
County Direct Rates*											
County-wide Rate	0.840	0.840	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	0.640	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	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	0.490
City of Creedmoor	0.615	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	0.425	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	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	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	0.100

**GRANVILLE COUNTY, NORTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS
JUNE 30, 2023
CURRENT YEAR AND FIVE YEARS AGO***

Taxpayer	2023			2018		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Toyota Motors Credit Corp. ^	\$125,810,684	1	2.35%	\$ 92,993,005	1	2.02%
Certaineed Corporation	\$76,963,286	2	1.44%	50,568,655	2	1.10%
Safway LLC	\$69,887,231	3	1.31%	18,881,215	10	0.41%
Sante Fe Natural Tobacco Co.	\$52,997,214	4	0.99%	45,740,325	4	0.99%
Bandag Inc.*	\$40,964,980	5	0.77%	35,454,389	6	0.77%
Duke Energy Progress Inc.	\$40,592,222	6	0.76%	45,974,509	3	1.00%
Altec Industries Inc.	\$37,591,964	7	0.70%			
Public Service Company of NC	\$28,917,712	8	0.54%	37,692,482	5	0.82%
Shalag US Inc.	\$22,978,558	9	0.43%	31,308,833	7	0.68%
Wake EMC	\$20,516,353	10	0.38%	23,770,541	8	0.52%
AW North Carolina Inc.				20,194,559	9	0.44%
Totals	<u>\$517,220,204</u>	-	<u>10.25%</u>	<u>\$ 402,578,513</u>		<u>8.75%</u>

Source: Granville County Tax Department

^ Previously Revlon

* Previously Bridgestone Commercial Solutions

* 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	FY 2023 additions	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy				Amount	Percentage of Levy
2014	35,605,455	34,934,862	98.12%	671,563	1,697	673,260	35,608,122	100.00%
2015	35,141,489	34,735,388	98.84%	373,521	1,935	375,456	35,110,844	99.91%
2016	36,220,241	35,922,785	99.18%	287,294	4,411	291,705	36,214,490	99.98%
2017	39,561,843	39,186,091	99.05%	361,516	7,073	368,589	39,554,680	99.98%
2018	40,495,171	40,063,479	98.93%	428,384	9,625	438,009	40,501,488	100.02%
2019	40,787,499	40,112,789	98.35%	738,459	22,675	761,134	40,873,923	100.21%
2020	41,647,572	40,993,090	98.43%	719,402	36,157	755,559	41,748,649	100.24%
2021	43,025,688	42,480,656	98.73%	689,774	114,010	803,784	43,284,440	100.60%
2022	44,169,799	43,744,253	99.04%	321,331	340,827	662,158	44,406,411	100.54%
2023	45,668,713	45,191,549	98.96%	-	-	-	45,191,549	98.96%

Source: Granville County Tax Department

TABLE 11

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

Fiscal Year	Governmental Activities					Total Primary Government	Per Capita *	Percentage of Personal Income*
	General Obligation Bonds	Installment Obligations	Financing Agreements	Certificates of Participation	Leases/SBI TA			
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	3.24%
2023	43,804,274	25,705,555	-	5,215,000	1,485,872	76,210,701	1,235	2.33%

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

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

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

TABLE 12

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Personal Income*	Percentage of Estimated Actual Taxable Value of Property	Per Capita
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
2023	43,804,274	-	43,804,274	1.34%	0.82%	710

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 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	\$ 435,558,948
Total net debt applicable to limit	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	76,210,701
Legal debt margin	<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>	<u>\$ 359,348,247</u>
Total net debt applicable to the limit as a percentage of debt limit	25.18%	27.62%	24.50%	21.79%	23.29%	27.71%	25.23%	22.34%	20.04%	17.50%
Legal Debt Margin Calculation for Fiscal Year 2020										
Assessed value										\$ 5,444,486,848
Debt limit (8% of total assessed value)										435,558,948
Debt applicable to limit:										
General obligation bonds										43,804,274
Installment Obligations										25,705,555
Certificates of Participation										5,215,000
Lease/SBITA Financing Agreements - Governmental Activities										1,485,872
Total net debt applicable to limit										<u>76,210,701</u>
Legal debt margin										<u>\$ 359,348,247</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
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	6,701	5.9%
2022	61,023	42,807	84.3	22.5	6,593	2.9%
2023	61,686	53,112	84.3	22.5	6,547	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)

Fiscal year 2023 base on July 2021 NC Certified Population Estimate (May '23 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 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)

Fiscal year 2023 based on FY 2021 Per Capita figure (May '23 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.

Fiscal year 2023 figure based on 2021 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)

Fiscal year 2023 figure based on Dept of Public Instruction - Pupils in Membership by Race and Sex School Year 2022-2023 - Does

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 NCAACCESS

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

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

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

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

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

Fiscal year 2023 figures taken from June 2022 Prelim. Figure from the May 2023 NCAACCESS report.

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

2023				2014			
Employer	Employees	Rank	Percentage of Total County	Employer	Employees	Rank	Percentage of Total County
NC DHHS	3,597	1	12.15%	Revlon	2,000	1	7.71%
Federal Bureau of Prisons	1,219	2	4.12%	Altec Industries	300	2	1.16%
Food Lion	1,000	3	3.38%	Flextronics	325	3	1.25%
Granville County Schools	1,000	4	3.38%	Food Lion Distribution	300	4	1.16%
Revlon	750	5	2.53%	Ideal Fastener	300	5	1.16%
Granville Medical Center	620	6	2.09%	Certainteed Corporation	300	6	1.16%
Altec Industries	500	7	1.69%	Clayton Homes	250	7	0.96%
County of Granville	350	8	1.18%	Newton Instrument Co.	175	8	0.67%
Go2 Staffing	350	9	1.18%	PalletOne of North Carolina, Inc.	175	9	0.67%
Bridgestone Americas	300	10	1.01%	Bandag	168	10	0.65%
Certainteed Corporation	290	11	0.98%	Carolina Sunrock	151	11	0.58%
ITS	250	12	0.84%	Gate Precast	150	12	0.58%
	<u>10,226</u>		<u>34.53%</u>	Total	<u>4,594</u>		<u>17.71%</u>

Source: Information from Granville County NC Department of Commerce

* 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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	36.5	39	39	39	39	42	43	45.5	45.5	45.5
Human Services	98	99.5	103.5	103	102	106	108.5	113.5	116	113
Community Services	56	56	58.5	54	61	66	62.5	65	66	66
Public Safety										
Sheriff's Dept./Detention Center	99.5	100	99.5	102	103	102	109	116	118	130
Emergency Services*	29	31	29	31	43	31	28	28	31.5	35.5
Emergency Management	3	4	3	3	4	4	4	4	4	6
Solid Waste	4.5	5.5	5.5	6	6	6	6	6	6	6
Water & Sewer	-	-	-	-	0					
Total	326.5	335	338	338	358	357	361	378	387	402

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

TABLE 17

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

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety/Sheriff										
Incident Reports**	8,763	8,446	8,505	7,425	8,499	7,663	6,089	5,450	6,040	15,263
Miscellaneous Incident Reports	-	-	-	-	-	-	-	-	-	-
Arrests	1,014	887	994	978	849	744	702	737	723	865
Court Papers	5,945	7,532	6,604	6,955	6,328	6,346	5,770	3,860	4,523	3,517
Public Safety/Emerg Mgmt/Fire										
Number of calls answered (includes fire & medical first response calls)	1,953	2,335	2,333	2,272	2,344	2,464	3,458	2,789	3,100	2,717
Inspections	216	235	247	225	382	359	483	405	477	550
Solid Waste										
MSW Landfill Tonnage (May 1, 2013 - present)	17,403	20,634	20,120	46,685	40,489	51,818	47,597	48,359	43,862	42,583
C & D Landfill Tonnage	15,447	13,480	15,172	2,757	0	0	0	0	0	0
Convenience Sites Tonnage	7,543	8,625	10,422	10,122	10,775	11,095	12,308	12,991	9,906	10,144
Civil Citations	5	4	6	5	5	2	20	15	21	6
Criminal Citations	1	1	-	-	0	0	0	0	0	0
Community Services/Library										
Items Added to Physical Collection	5,468	6,079	6,085	6,877	7,579	7,530	8,064	6,325	5,970	5,215
Items Added to Virtual Collection^	N/A	N/A	N/A	N/A	6,392	n/a	n/a	260	665	300,552
Circulation	118,346	126,891	135,810	136,844	130,075	142,725	125,609	93,573	114,557	125,876
Internet Use	45,713	54,830	54,850	56,883	48,195	48,049	59,333	47,149	50,183	57,585
Program Attendance	14,160	17,367	16,155	11,337	5,075	8,094	18,891*	4,401	7,422	13,108
Community Services/Planning & Inspections										
Number of Building Permits Issued	459	513	667	629	638	726	840	808	664	156
Number of Mobile Home Permits Issued	52	57	68	72	48	71	67	66	59	55
Number of Other Permits Issued (Includes Electrical, Plumbing & Mechanical)	768	825	857	913	834	1,030	1,186	1,011	1,072	1,721
Human Services/Social Services										
Average # Adult Medicaid Eligible Cases	2,515	3,000	5,534	3,997	4,353	4,450	2,851	2,919	3,268	16,340
Average # Family & Child Medicaid Cases	4,315	5,887	5,726	5,212	5,656	5,949	8,971	11,100	12,904	13,012
Average # Households Receiving Food Stamps	4,412	4,192	3,940	3,615	3,452	3,273	3,449	4,214	4,066	8,160
Average \$ Fraud Collections per Month #	1,714	2,564	5,120	6,108	6,910	6,715	2,888	?	1,118	2
Education										
School enrollment	8,037	7,964	7,825	7,667	7,438	7,314	7,166	6,701	6,593	6,547

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

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

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

TABLE 18

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

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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)	1513	1521	1542	1546	1551	1554	1555	1559	1567	1593
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	21	21	21	19	19	20	18	17	16	16

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

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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, 2023, 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 15, 2024. 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.

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

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

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We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item [2023-001] that we consider to be significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Granville County's financial statements are free from 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. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Granville County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Granville 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 15, 2024



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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, 2023. 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, 2023.

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

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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 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 [2023-002, 2023-003, 2023-004, 2023-005, 2023-006, 2023-007] 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 16, 2024



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

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R. Bryon Scott, CPA

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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, 2023. 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, 2023.

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

American Institute of CPAs - N.C. Association of CPAs - AICPA's Private Companies Practice Section

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.

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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 16, 2024

Granville County, North Carolina
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses 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) yes no

Identification of major federal programs:

<u>AL #</u>	<u>Program Name</u>
10.561	Supplemental Nutrition Assistance Program
21.027	State Local Coronavirus Fiscal Recovery Fund
93.778	Medical Assistance Program

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

Auditee qualified as low-risk auditee? yes no

State Awards

Internal control over major State programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses 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 yes no

Identification of major State programs:

<u>Program Name</u>
Medical Assistance Program
Public School Building Capital Fund
Juvenile Crime Prevention Programs

Dollar threshold used to distinguish between Type A and Type B Programs \$ 500,000

Auditee qualified as low-risk auditee? yes no

Granville County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section II - Financial Statement Findings

Finding: 2023-001
SIGNIFICANT DEFICIENCY

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 decreased fund balance by \$13,188. These adjustment were to record a correction to forfeiture funds that were received which had been deposited into the Forfeiture - Treasury checking account, which should have been deposited into the Forfeiture - Department of Justice account.
- 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: County records were not reconciled properly.
- 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.

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)
AL # 93.778

Finding: 2023-002
SIGNIFICANT DEFICIENCY

IV-D Cooperation with Child Support

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.

Granville County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

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

Condition: There were 6 errors discovered during our procedures that referrals between the County's Department of Social Services 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 cases from of a total of 552,116 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, 2022-004.

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.

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)
AL # 93.778

Finding: 2023-003 Inaccurate Resources Entry

SIGNIFICANT DEFICENCY

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.

Granville County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

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

Condition: There were 3 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 cases from of a total of 552,116 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, 2022-005.

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.

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)
AL # 93.778

Finding: 2023-004 Inadequate Request for Information

SIGNIFICANT DEFICIENCY

Eligibility

Criteria: In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. Electronic matches are required at applications and redeterminations.

Condition: There were 5 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.

Granville County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

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

Context: We examined 60 cases from of a total of 552,116 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, 2022-006.

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.

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)
AL # 93.778

Finding: 2023-005 Inaccurate Information Entry

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. 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 3 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.

Granville County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

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

Context: We examined 60 cases from of a total of 552,116 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, 2022-007.

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.

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)
AL # 93.778

Finding: 2023-006 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.

Granville County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

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

Context: We examined 60 cases from of a total of 552,116 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.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-008.

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.

U.S. Department of Health and Human Services

Passed through the NC Department of Health and Human Services
Food and Nutrition Services (FNS) Cluster
AL # 10.551 and 10.561

Finding: 2023-007

SIGNIFICANT DEFICENCY

ELIGIBILITY

Criteria: Per Section 200.303 of the Uniform Grant Guidance, a non-federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. The State has provided policies and procedures to ensure that the County is meeting the federal guidance, relevant policies are:

Granville County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

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

Food and Nutrition Services Policy 305 describes the verification sources and requirements and the FNS units primary responsibility for providing documentary evidence to support statements on applications and recertifications and procedures required if the statements by applicant/beneficiary are questionable.

Food and Nutrition Services Policy 300 describes the sources of income countable and not countable to the household for determining financial eligibility.

Food and Nutrition Services Policy 310 describes the procedures related to verifying changes in income (i.e. termination, end of contract, temporary, etc.).

Condition: There were a total of 6 errors found in our testing: 3 instances where verification of an expense used for a deduction of income was not included in the case file and 3 instances where earned income was incorrectly calculated or verification of representative income was not completed or entered correctly in NCFAST.

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

Context: We examined 25 of 8,174 FNS recipients from the a report of all active FNS beneficiaries provided by Nash County's Department of Human Services. The finding is being reported with the financial statement audit as it relates to FNS 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: Due to the errors noted, eligibility cannot be sufficiently substantiated and there is a risk that the County could provide funding and/or benefits to individuals who are not program eligible.

Recommendation: The County should provide training of management and staff on the program's eligibility requirements, proper case review process, and required verifications for eligibility. Also, the County should ensure that their formal internal review process is adequately completed to identify and correct errors in case reviews.

Views of responsible officials and planned corrective actions: The County agrees with the finding and is implementing actions to correct these issues, which are further discussed in the corrective action plan.

Granville County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section IV - State Award Findings and Questioned Costs

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

SIGNIFICANT DEFICENCY: Finding 2023-002, 2023-003, 2023-004, 2023-005, 2023-006 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, 2023

Section II - Financial Statement Findings

Finding 2023-001

Prior Period Adjustments

Name of contact person: Stephen McNally, Finance Director

Corrective Action: The Finance Department will attempt to make all necessary transfers of funds between Forfeiture accounts in the current period. However, this correction notification from US Treasury was not sent to the Finance department until after the reporting period in which the transaction took place.

Proposed completion date: July 1, 2023

Section III - Federal Award Findings and Questioned Costs

Finding 2023-002

IV-D Cooperation with Child Support

Name of contact person: Kim Grissom, Family and Children's Medicaid Supervisor and Shelia Morton, Family and Children's Medicaid Supervisor

Corrective Action: Family and Children Medicaid Lead Workers and Supervisors 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 and/or Leadworkers will conduct monthly meetings which including mini trainings on errors found in second parties. Refresher trainings will be held quarterly for indept training regarding policy areas in which the Supervisors identify the need for. The Human Service Planner Evaluator will help track of repetitive errors and suggest trainings needed to Supervisors to ensure that policy/procedures are being implemented accordingly. The Supervisors will schedule and hold a meeting to inform the Program Administrator of the errors found on second-party findings and provide a copy of the individual's performance meeting held with the worker on any repetitive errors. Supervisors and or Lead workers will send training invites to Program Administrator, Staff Development, and Human Services Planner Evaluator, for monthly and at quarterly refresher trainings.

Proposed completion date: To ensure that the caseworkers do not repeat these errors, the following will happen: policy training was held on November 30, 2022, for Family and Children Medicaid section MA-3365. Documentation Template was last updated on November 3, 2023, which includes IV-Referral reminder. Family and Children meeting will be held by November 30, 2023.

Finding 2023-003

Inaccurate Resources Entry

Name of contact person: Vanness Taylor, Adult Medicaid Supervisor



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, 2023

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

Corrective Action: Caseworkers are to review the determinations tab and policy manual to properly ensure that the case is showing correctly. Adult Medicaid Lead workers and Supervisor 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. Supervisors and/or Leadworkers will conduct monthly meetings which including mini trainings on errors found in second parties. Refresher trainings will be held quarterly for indept training regarding policy areas in which the Supervisors identify the need for. The Human Service Planner Evaluator will help track of repetitive errors and suggest trainings needed to Supervisors to ensure that policy/procedures are being implemented accordingly. The Supervisor will schedule and hold a meeting to inform Program Administrator of the errors found on second-party findings and provide a copy of the individual's performance meeting held with the worker on any repetitive errors. Supervisors and or Lead workers will send training invite to Program Administrator Staff Development Specialists and Human Services Planner Evaluator for monthly and quarterly refresher trainings.

Proposed completion date: To ensure that the caseworkers do not repeat these errors, the following will happen: policy training was held on Adult Medicaid section MA-2230 on Janaury 31, 2023, July 6, 2023 and September 28, 2023. Documentation Templates were recently updated as of November 13, 2023. Meeting regarding the cited errors will be held on November 28, 2023.

Finding 2023-004

Inadequate Request for Information

Name of contact person: Kim Grissom, Family and Children's Medicaid Supervisor, Shelia Morton, Family and Children's Medicaid Supervisor, and Vanness Taylor, Adult Medicaid Supervisor



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, 2023

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

Corrective Action: Adult Medicaid Lead workers and Supervisor will conduct second-party reviews on caseworkers. Family and Children Medicaid Lead Workers and the Supervisors 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 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. Supervisors and/or Leadworkers will conduct monthly meetings which including mini trainings on errors found in second parties. Refresher trainings will be held quarterly for indept training regarding policy areas in which the Supervisors identify the need for. The Human Service Planner Evaluator will help track of repetitive errors and suggest trainings needed to Supervisors to ensure that policy/procedures are being implemented accordingly. The Supervisors will schedule and hold a meeting to inform Program Administrator of the errors found on second-party findings and provide a copy of the individual's performance meeting held with the worker on any repetitive errors. Supervisors and or Lead workers will send training invite to Program Administrator, Staff Development Specialists, and Human Services Planner Evaluator for monthly and quarterly refresher trainings.

Proposed completion date: To ensure that the caseworkers do not repeat these errors, the following will happen: Adult Medicaid Documentation Templated was updated November 13, 2023. Training was held on July 6, 2023 for Recertifications for Adult Medicaid. Adult Meeting will be held on November 28, 2023. Family and Children held team meetings on November 30, 2022, January 26, 2023, and May 23, 2023. Family and Children meeting will be held by November 30th, 2023. State mandatory Training was held for all Medicaid Staff on July 25, 26, or 27, 2023 for Mastering Medicaid Policy, MAGI Recertifications and NCFAS 20020, and September 26, 27, or 28, 2023 Authorized Representatives and NCFAS 20020 Reminders.

Finding 2023-005

Inaccurate Information Entry

Name of contact person: Kim Grissom, Family and Children's Medicaid Supervisor, Shelia Morton, Family and Children's Medicaid Supervisor, and Vanness Taylor, Adult Medicaid Supervisor



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, 2023

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

Caseworkers are to review the determinations tab and policy manual to properly ensure that the case is showing correctly. Adult Medicaid Lead workers and Supervisor will conduct second-party reviews on caseworkers. Family and Children Medicaid Lead Workers and the Supervisors 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 and/or Leadworkers will conduct monthly meetings which including mini trainings on errors found in second parties. Refresher trainings will be held quarterly for indept training regarding policy areas in which the Supervisors identify the need for. The Human Service Planner Evaluator will help track of repetitive errors and suggest trainings needed to Supervisors to ensure that policy/procedures are being implemented accordingly. Supervisors will schedule and hold a meeting each month to inform Program Administrator of the errors found on second-party findings and provide a copy of the individual's performance meeting held with the worker on any repetitive errors. Supervisors and or Lead workers will send training invite to Program Administrator, Staff Development Specialists, and Human Services Planner Evaluator for monthly and quarterly refresher trainings.

Proposed completion date: To ensure that the caseworkers do not repeat these errors, the following will happen: policy training was held on Adult Medicaid section MA-2250 on November 29, 2022, DSS Terminal Message regarding Admin Letter 11-22 dated 12/12/2022 on COLA procedures was provided to Adult Medicaid team members on 12/12/2022. Meeting held regarding COLA income on 12/29/2022. Update meeting regarding the COLA increases will be held by December 31, 2023 when policy guidelines are provided by state. Family and Children Medicaid sections MA-3300 was held on November 30, 2022 regarding income. Meeting regarding Incorrect income will be held on by November 30, 2023.

Finding 2023-006

Untimely Review of SSI Termination

Name of contact person: Vanness Taylor, Adult Medicaid Supervisor



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, 2023

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

Corrective Action: Adult Medicaid Lead workers and Supervisor 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. Supervisors and/or Leadworkers will conduct monthly meetings which including mini trainings on errors found in second parties. Refresher trainings will be held quarterly for indept training regarding policy areas in which the Supervisors identify the need for. The Human Service Planner Evaluator will help track of repetitive errors and suggest trainings needed to Supervisors to ensure that policy/procedures are being implemented accordingly. The Supervisor will schedule and hold a meeting to inform Program Administrator of the errors found on second-party findings and provide a copy of the individual's performance meeting held with the worker on any repetitive errors. Supervisors and or Lead workers will send training invite to Program Administrator, Staff Development Specialists, and Human Services Planner Evaluator for monthly and quarterly refresher trainings.

Proposed completion date: To ensure that the caseworkers do not repeat these errors, the following will happen: policy training was held on Adult Medicaid section MA-2352 on November 29, 2022. Plan was discussed on November 17, 2023 with Lead Workers Michelle Ogle and Delta Elliot on a new team procedure regarding SSI terminations. Meeting will be held on November 28, 2023 discussing new procedure and a Training will be held by December 29, 2023 regarding SSI Expertes.

Finding 2023-007

FNS Eligibility Determinations

Name of contact person: Pam Polak, Food and Nutrition Services Supervisor



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, 2023

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

Corrective Action: Caseworkers are to review and verify income and deductions by policy standards. Food and Nutrition Lead workers and Supervisor will conduct second-party reviews on caseworkers. The Food and Nutrition Supervisor will go over errors found by second parties during their team's 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 Supervisor due to performance and 4 for applications workers and 3 for redeterminations workers per month. The supervisor and lead workers will also ensure that caseworkers are up to date on changes that may come up and ensure that they give proper instruction when needed. Supervisor and/or Lead workers will conduct monthly meetings which include mini trainings on errors found in second parties. Refresher training will be held quarterly and annually for in-depth training regarding policy areas in which the Supervisor and lead workers identify the need for. The Human Service Planner Evaluator will help track of repetitive errors and suggest training needed to the Supervisor to ensure that policy/procedures are being implemented accordingly. The supervisor will schedule and hold a meeting each month to inform Program Administrator, Heather Hayes, of the errors found on second-party findings and provide a copy of the individual's performance meeting held with the worker on any repetitive errors. Supervisor and or Lead workers will send training invite to Program Administrator, Staff Development Specialists, and Human Services Planner Evaluator monthly and at quarterly refresher trainings.

Proposed completion date: To ensure that the caseworkers do not repeat these errors, the following will happen: policy training will be held on Food and Nutrition policy sections 340 Deductions, 310 Budgeting New/Change/Terminated Income, and 315 Special Budgeting Income on January 24, 2024.

Section IV - State Award Findings and Questioned Costs

Corrective actions for Finding 2023-002, 2023-003, 2023-004, 2023-005, 2023-006 also apply to State Award findings.

Granville County, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2023

Finding: 2022-001
Status: Corrected

Finding: 2022-002
Status: Corrected

Finding: 2022-003
Status: This finding is not corrected, repeated as 2023-001.

Finding: 2022-004
Status: This finding is not corrected, repeated as 2023-002.

Finding: 2022-005
Status: This finding is not corrected, repeated as 2023-003.

Finding: 2022-006
Status: This finding is not corrected, repeated as 2023-004.

Finding: 2022-007
Status: This finding is not corrected, repeated as 2023-005.

Finding: 2022-008
Status: This finding is not corrected, repeated as 2023-006.

GRANVILLE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2023

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>Assistance</u> <u>Listing No.</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Federal</u> <u>(Direct &</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Provided</u> <u>to</u> <u>Subrecipients</u>	<u>Local</u> <u>Expenditures</u>
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		\$ 746,814	\$ -	\$ -	\$ 746,814
FNS - ARPA	10.561		85,592	-	-	-
Total U.S. Department of Agriculture			832,406	-	-	746,814
<u>U.S. Dept. of Justice</u>						
Direct Program:						
Equitable Sharing Program	16.922		216,506			
Total U.S. Dept. of Justice			216,506	-	-	-
<u>U.S. Dept. of Transportation</u>						
Passed-through the N.C. Department of Transportation:						
		DOT-14				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51001.7.5.3	32,004	4,000	-	-
		DOT-14				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51001.35.6.3	61,488	7,686	-	-
Total Enhanced Mobility of Seniors and Individuals with Disabilities			93,492	11,686	-	-
Total U.S. Dept. of Transportation			93,492	11,686	-	-
<u>U.S. Dept. of Treasury</u>						
Direct Award						
Treasury Forfeiture Fund Program	21.016		258,905			
State Local Coronavirus Fiscal Recovery Fund	21.027		9,387,820	-	-	-
Passed-through State Library of North Carolina						
SFRF Nonrecurring Aid to Libraries	21.027		64,899	-	-	-
Total State Local Coronavirus Fiscal Recovery Fund			9,452,719	-	-	-
Local Assistance and Tribal Consistency Fund	21.032		819	-	-	-
Total U.S. Dept. of Treasury			9,712,443	-	-	-
<u>U.S. Institute of Museum and Library Services</u>						
Passed-through State Library of North Carolina						
LSTA EZ Grant	45.310		16,309	-	-	-
Total U.S. Institute of Museum and Library Services			16,309	-	-	-
<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		3,903	260	-	-
<u>Aging Cluster:</u>						
Special Programs for the Aging - Title III B						
Grants for Supportive Services and Senior Centers	93.044		68,672	4,040	-	-
ARPA - Supportive Services	93.044		30,748	5,426	-	-
Special Programs for the Aging - Title III C						
Nutrition Services	93.045		159,472	9,381	-	-
Family First Special Programs for the Aging - Title III C	93.045		-	-	-	-
Nutrition Services Incentive Program	93.053		30,039	-	-	-
Total Aging Cluster			288,931	18,847	-	-
Passed through NC Department of Health & Human Services						
Division of Social Services:						
Temporary Assistance for Needy Families Cluster						
TANF - Work First	93.558		367,472	-	-	592,471
Total TANF Cluster			367,472	-	-	592,471
<u>Foster Care and Adoption Cluster (Note 4)</u>						
Foster Care - Title IV-E	93.658		189,208	22,148	-	146,971
Foster Care	N/A		133,586	-	-	13,251
Adoption Assistance	93.659		3,601	-	-	3,601

GRANVILLE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2023

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>Assistance</u> <u>Listing No.</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Federal</u> <u>(Direct &</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Provided</u> <u>to</u> <u>Subrecipients</u>	<u>Local</u> <u>Expenditures</u>
Total Foster Care and Adoption Cluster (Note 4)			326,395	22,148	-	163,823
Child Support Enforcement	93.563		686,038	(320)	-	353,734
Family Preservation	93.556		9,585	-	-	-
Low-Income Home Energy Assistance:						
Administration	93.568		40,352	-	-	-
Energy Assistance Payments	93.568		72,237	-	-	-
Crisis Intervention Program	93.568		138,915	-	-	-
LIHWAP ARPA	93.568		52,406	-	-	-
LIHWAP ARPA ADM	93.568		15,617	-	-	-
LIHWAP ADM	93.568		(1,992)	-	-	-
LIHWAP CAA	93.568		75,215	-	-	-
Total Low-Income Home Energy Assistance			392,750	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program:						
- Permanency Planning - Families for Kids	93.645		11,369	(216)	-	3,646
Chafee Foster Care Independence Program	93.674		14,842	1,293	-	-
SSBG - Other Service and Training	93.667		220,675	-	-	73,558
Division of Aging and Adult Services:						
Social Service Block Grant	93.667		38,342	1,095	-	-
Division of Social Services:						
SSBG - State In Home Service Fund	93.667		10,490	-	-	1,498
SSBG - State Adult Day Care	93.667		53,863	39,513	-	9,287
Total Social Service Block Grant			323,370	40,608	-	84,343
Division of Child Development and Early Education:						
Subsidized Child Care						
Child Care Development Fund Cluster:						
Division of Social Services:						
Child Care Development Fund-Administration	93.596		85,220	-	-	-
Total Subsidized Child Care			85,220	-	-	-
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		1,769,677	248,771	-	563,500
Division of Social Services:						
Administration:						
State Children's Insurance Program - N.C. Health Choice	93.767		56,274	2,994	-	9,981
Total U.S. Dept. of Health and Human Services			4,335,826	334,385	-	1,771,498
<u>U. S. Department of Homeland Security</u>						
Passed-through N.C. Dept. of Public Safety:						
Division of Emergency Management:						
Emergency Management Performance Grant	97.042		39,032	-	-	-
Total U. S. Department of Homeland Security			39,032	-	-	-
Total Federal Awards			\$ 15,246,014	\$ 346,071	\$ -	\$ 2,518,312
State Awards:						
<u>N.C. Dept. of Administration</u>						
Veterans Service			\$ -	\$ 2,083	\$ -	\$ -
Total N.C. Dept. of Administration			-	2,083	-	-
<u>N.C. Dept. of Cultural and Natural Resources</u>						
Division of State Library						
State Aid to Public Libraries			-	116,888	-	-
Total N.C. Dept. of Cultural and Natural Resources			-	116,888	-	-

GRANVILLE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2023

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 Health and Human Services</u>						
Passed-through Kerr-Tar Plain Council of Governments:						
Division of Aging and Adult Services						
State Appropriation - Access			-	6,436	-	-
State Appropriation - In-Home Services			-	201,160	-	-
State Appropriation - Home Delivered Meals			-	15,401	-	-
State Appropriation			-	28,858	-	-
Senior Center General Purpose			-	17,900	-	-
Total Division of Aging and Adult Services			-	269,755	-	-
Division of Social Services						
ST Child Welfare/CPS/CS LD			-	86,281	-	-
County Funded Programs			-	-	-	659,203
DCD Smart Start			-	37,073	-	-
Energy Assistance			-	3,000	-	-
Non-Allocating Reimbursable			-	-	-	7,457
Work First Non Reimbursable			-	-	-	116,615
SFHF Maximization			-	149	-	149
State Foster Home			-	47,128	-	32,193
Total Division of Social Service			-	177,167	-	816,866
Total N. C. Department of Health and Human Services			-	446,922	-	816,866
<u>N.C. Dept. of Public Instruction</u>						
Public School Building Capital Fund			-	449,481	-	-
Total N.C. Dept. of Public Instruction			-	449,481	-	-
<u>N.C. Department of Environmental Quality</u>						
Electronic Management			-	8,621	-	-
Total N.C. Department of Environmental Quality			-	8,621	-	-
<u>N.C. Dept. of Public Safety</u>						
Tier II Grant			-	994	-	-
Juvenile Crime Prevention Programs						
JCPC Administration			-	5,324	-	-
Youth Village			-	174,864	174,864	-
Boys and Girls Club			-	30,684	30,684	-
Trails to Success			-	27,420	27,420	-
Reins of Change			-	10,544	10,544	-
Total Juvenile Crime Prevention Programs			-	248,836	243,512	-
Total N. C. Department of Public Safety			-	249,830	243,512	-
<u>N.C. Dept. of Transportation</u>						
Rural Operating Assistance Program (ROAP) Cluster						
ROAP EDTAP		DOT-16CL 36220.10.11.1	-	44,952	-	-
ROAP RGP		DOT-16CL 36228.22.11.1	-	93,370	-	-
ROAP EMPLOYMENT		DOT-16CL 36236.11.10.1	-	1,123	-	-
Total ROAP Cluster			-	139,445	-	-
Total N.C. Dept. of Transportation			-	139,445	-	-
Total State Awards			\$ -	\$ 1,413,270	\$ 243,512	\$ 816,866
Total Federal and State Awards			\$ 15,246,014	\$ 1,759,341	\$ 243,512	\$ 3,335,178

GRANVILLE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2023

<u>Grantor/Program Title</u>	<u>Federal Assistance Listing No.</u>	<u>State/Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Subrecipients</u>	<u>Local Expenditures</u>
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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, 2023. 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.

<u>Program Title</u>	<u>AL No.</u>	<u>Federal</u>	<u>State</u>
Special Supplemental Nutrition Program for Women Infant and Children	10.557	\$ 940,084	\$ -
Supplemental Nutrition Assistance Program	10.551	22,020,124	-
Medical Assistance Program	93.778	78,996,787	30,600,942
Children's Health Insurance Program	93.767	540,141	118,384
IV-E Adopt & Vendor	93.659	250,373	45,582
TANF Payments & Penalties	93.558	180,721	-
CWS Adopt, Vendor, Guard	N/A	-	97,362
SC/SA Domiciliary Care	N/A	-	173,536