

New Business

7. Audit Presentation **Tony Brewer, CPA**

8. Joint Police Authority Funds

A. Budget Amendment #7

To transfer funds from Fund Balance Appropriated (01-3991-99) to Police Department Capital Outlay - Vehicles (01-4310-54) in the amount of \$114,919. Funds were unexpended in FY 19-20.

ACTION REQUESTED: Motion to approve Budget Amendment #7 as presented.

B. Amendment

ACTION REQUESTED: Motion to amend the previous estimate for police vehicles' purchase to an amount not to exceed \$100,000.

9. Longevity Pay

ACTION REQUESTED: Motion to approve Longevity Pay as presented.

10. 2021 Holiday Closing and BoA Meeting Schedule, Retreat Dates

ACTION REQUESTED: Motion to adopt the Holiday Closings and Board Meeting Schedule for 2021.

11. Appointments **Cabarrus Rowan MPO TAC**

ACTION REQUESTED: Motion to appoint _____ as the Cabarrus Rowan MPO TAC representative and _____ as the alternate representative.

12. Coronavirus Relief Fund

A. November Reimbursement Request Review

ACTION REQUESTED: Motion to approve the CRF Expenditure Report as submitted and attested to by the town manager.

B. Plan Amendment

13. Budget Amendment #8 **Lake Park Fence Repair**

To receive and disperse insurance funds plus \$500 deductible for the repair of storm damage to lake park fence in the amount of \$11,675.

ACTION REQUESTED: Motion to approve Budget Amendment #8 as presented.

14. Board Comments

15. Mayor's Notes

- A. Thursday, December 10
- B. Monday, December 14
- C. Monday, December 14
- D. Tuesday, December 15
- E. Thursday, December 17
- F. Monday, December 21
- ~~G. Monday, December 21~~
- H. Thur. & Fri., December 24 & 25
- I. Friday, January 1

Announcements and Date Reminders

- 6:00 p.m. Community Appearance Commission
- 5:00 p.m. Rowan Chamber Business After Hours (virtual)
- 6:00 p.m. Planning Board
- 3:30 p.m. Revitalization Team
- 7:30 a.m. Rowan Chamber Power in Partnership Webinar
- 5:00 p.m. Parks, Events, and Recreation Committee
- ~~5:30 p.m. Zoning Board of Adjustment~~
- Office Closed for Christmas Holiday
- Office Closed New Year's Day (*pending approval*)

Adjourn

Agenda Item Summary

Regular Meeting
December 7, 2020
Agenda Item 1

Summary:

The Board may discuss, add, or delete items from the Regular Meeting agenda.

Action Requested:

Motion to adopt the December 7, 2020 Board of Aldermen Meeting Agenda (as presented / as amended).

Approval of Agenda

Motion Made By:

Jim Costantino
Kim Cress
John Linker
Doug Shelton

Second By:

Jim Costantino
Kim Cress
John Linker
Doug Shelton

For:

Jim Costantino
Kim Cress
John Linker
Doug Shelton

Against:

Jim Costantino
Kim Cress
John Linker
Doug Shelton

In case of tie:

Mayor Bill Feather

For
Against

Agenda Item Summary

Regular Meeting
December 7, 2020
Agenda Item 2

Summary:

The Board may discuss, add, or delete items from the Consent Agenda.

- A. Approval of the Minutes
 - 1) Regular Meeting Minutes November 2, 2020
- B. Departmental Reports
- C. Financial Reports

Action Requested:

Motion to approve the consent agenda (as presented / as amended).

Approval of Consent Agenda

Motion Made By:

- Jim Costantino
- Kim Cress
- John Linker
- Doug Shelton

Second By:

- Jim Costantino
- Kim Cress
- John Linker
- Doug Shelton

For:

- Jim Costantino
- Kim Cress
- John Linker
- Doug Shelton

Against:

- Jim Costantino
- Kim Cress
- John Linker
- Doug Shelton

In case of tie:

Mayor Bill Feather

- For
- Against



**TOWN OF GRANITE QUARRY
BOARD OF ALDERMEN
REGULAR MEETING MINUTES
Monday, November 2, 2020
7:00 p.m.**

Present: Mayor Bill Feather, Mayor Pro Tem John Linker, Alderman Jim Costantino, Alderman Doug Shelton

Not Present: Alderman Kim Cress

Staff: Town Manager Larry Smith, Town Clerk Aubrey Smith, Town Attorney Chip Short, Fire Chief/Maintenance Supervisor Jason Hord, Police Chief Mark Cook, Town Planner Steve Blount

Call to Order: Mayor Feather called the meeting to order at 7:00 p.m.

Moment of Silence: Mayor Feather opened the meeting with a moment of silence.

Pledge of Allegiance: The Pledge of Allegiance was led by Scout Brady Allum, Troop 379.

1. Approval of the Agenda

ACTION: Alderman Costantino made a motion to approve the agenda as presented. Alderman Shelton seconded the motion. The motion passed 3-0.

2. Approval of the Consent Agenda

A. Approval of the Minutes

- 1) Regular Meeting Minutes October 5, 2020

B. Departmental Reports

C. Financial Reports

ACTION: Mayor Pro Tem Linker made a motion to approve the consent agenda as presented. Alderman Costantino seconded the motion. The motion passed 3-0.

3. Citizen Comments

There were no citizen comments.

4. Town Events

A. Christmas Trees at the Park Beginning November 27, 2020

B. Volunteer and Staff To-Go Meal – Discussion

There was Board discussion at Mayor Feather's request regarding the Volunteer and Staff Banquet traditionally held the first Friday of December as a sit-down dinner. Board members discussed their concerns with a gathering and suggested delaying until spring. Clerk Smith referred to the

Committee Report summary in the Town Manager’s Report that was included in the Board packet. She advised the Board that the Parks, Events, and Recreation Committee (PERC) had taken the pandemic into consideration and was not considering a sit-down dinner. At its last meeting PERC voted to alternatively provide a drive-thru pick-up of catered BBQ plates on the same date.

Mayor Feather stated another choice would be to delay and have a formal event or picnic in the spring. Alderman Shelton stated that he was against a sit-down dinner, but due to uncertainty in the foreseeable future, voiced support of PERC’s plan for an alternate event. Mayor Pro Tem Linker stated he was also against a sit-down meal but had no objections to the drive-thru event. Alderman Shelton asked that anyone who would have been invited to the sit-down dinner receive a plate at the drive-thru event. Alderman Costantino stated he was in favor of going forward with the event if it could be done safely.

There was Board consensus to move forward with the drive-thru event as proposed by PERC on December 4, 2020.

C. Santa at the Park December 5, 2020 3:00 pm – 5:30 p.m., Tree Lighting at Dusk

5. Town Manager’s Update

Manager Smith referenced his report in the agenda packet and shared that today the Civitan Club celebrates 75 years in Granite Quarry. He stated that Clerk Smith has completed municipal clerk training and shared about ongoing technology issues at town hall. A recent meeting of the JPA committee took place; minutes will be sent out to the Board of Aldermen. Manager Smith also updated the Board on issues with the credit union easements and rights-of-way. He will follow-up with Attorney Short. Manager Smith will be sending out details regarding Paul Fisher. He also informed the Board the FEMA grant turnaround time for payment was estimated to be 30 days. The IDF grant has a 10-day turnaround time.

Alderman Shelton asked if the numbers on the FEMA Grant Capital Project had changed. Manager Smith replied that will not be known until the Invitation to Bid is back. Alderman Shelton also congratulated Chief Cook on new hires and asked if there were still open full-time positions that have not been filled. Manager Smith responded that one position was vacant, and one officer was out on leave but was expected to return.

Old Business

6. Discussion

Board Meeting Dates 2021

ACTION: Alderman Costantino made a motion to continue discussion to the December meeting. Alderman Shelton seconded the motion. The motion passed 3-0.

7. Comprehensive Parks and Rec. Master Plan

Manager Smith shared a PowerPoint presentation (included in the agenda packet) regarding Revenue Updates and a Parks and Recreation Master Plan. Funding for the Master Plan was included in this year’s budget. The Board requested to put it in Board Contingencies to control authorizing use of the funds until it could review revenues after each quarter. Smith advised that “worst case scenario” projections within the budget have indeed already realized a net gain in the first quarter review. As examples: Sales and Utilities Taxes account for approximately 37% of annual revenues and are trending to result in \$58,450 higher than budgeted for the FY; and collection of Ad Valorem taxes accounts for approximately 41% of annual revenues and is actually trending higher in the first two months than in previous years. Especially taking into account Board feedback of major repair and improvement expenses the Town needs to prioritize at the Lake and Civic Parks, Smith can safely advise moving

forward with commissioning the Plan, which will provide design standards and opportunities for matching grant funds.

The Board discussion included the positive effect a master plan would have on grant applications and the timeline for completion of a plan. Manager Smith shared that if approved tonight, the process for completing a parks and recreation master plan could most likely be completed by the end of the fiscal year.

Mayor Pro Tem Linker asked how the town would approach the repairs that need to be completed now. Manager Smith responded that in the short-term the town would just repair what was there until the plan was in place. Alderman Shelton asked how this would relate to the immediate need to re-enforce the hillside. Manager Smith responded that the engineer was giving a cost estimate on that now and that recommendations would be brought to the Board once the estimate was received.

Alderman Costantino voiced concern over spending \$30,000 for the plan. Manager Smith replied that having a plan would give long-term benefits including helping secure a grant for the tennis courts instead of the town paying the full amount. Mayor Pro Tem Linker stated if the plan was the only way to secure funds, the town needed to be committed.

Alderman Shelton stated he was in favor of the plan, provided it was done right, but was anxious about using contingency funds and would rather wait until January when there was more information. He stated he felt with the uncertainty in the economy due to the Coronavirus, it was early to be making this kind of commitment. Manager Smith replied that the information for the next quarter wouldn't be available until probably February.

Mayor Pro Tem Linker stated he was in favor of the plan and that people move to Granite Quarry for the parks. He asked if the Board waited until the retreat in January to act, what would that do to the timeframe. Manager Smith responded the biggest thing would be planning for the budget. Mayor Pro Tem Linker stated that he didn't think the town could afford all the improvements to the parks, that the tennis courts alone could be \$100,000, and that the town would need to apply for some grants but the question was timing.

Mayor Feather stated that he thought a delay would be appropriate until December or January. He stated he believed the town needed to do a master plan whether in-house or through a third party, but he wanted to see more numbers and thought there could be some other things the town doesn't know about yet that might affect a master plan. Alderman Costantino agreed that he would like to wait until the first of the year to look at it again.

There was Board consensus to discuss the item again in January with high priority.

ACTION: Alderman Costantino made a motion to table the discussion of the Comprehensive Parks and Recreation Master Plan until the January meeting. Alderman Shelton seconded the motion. The motion passed 2-1 with Mayor Pro Tem Linker opposed.

8. Coronavirus Relief Fund October Reimbursement Request Review

ACTION: Mayor Pro Tem Linker made a motion to approve the CRF Expenditure Report as submitted and attested to by the town manager. Alderman Costantino seconded the motion. The motion passed 3-0.

Alderman Shelton requested that the Board be provided with regular updates on how much has not been used.

New Business

9. Fence at Granite Lake Park – Discussion

There was Board discussion at Mayor Feather’s request regarding the fence at the Granite Lake Park that had been damaged during the recent storm. There were questions regarding what materials would be used to replace the fallen fence and how the fence would relate to the proposed future master plan. Manager Smith advised that the discussion was premature as the insurance company has not been out to assess the damage yet. If approved, we would only of course repair the damaged sections with the same fencing that is already there.

There was Board consensus for staff to bring two or three options for replacement of the fence to the next meeting.

10. Proclamations

- A. Veterans’ Day**
- B. Civitan Club 75th Anniversary**

Mayor Feather read the proclamations for Veterans’ Day and Civitan Club 75th Anniversary.

11. Board Comments

- Alderman Costantino asked whether the plaque had been installed at the Byrd property. Manager Smith responded that it had. Alderman Costantino asked whether a plaque would be installed for Clyde Adams.

Mayor Feather asked that staff price the plaque.

- Alderman Shelton requested that next month the dates for the January retreat be set. Mayor Feather requested that Board members send in dates they wouldn’t be able to meet.
- Mayor Pro Tem Linker thanked the manager and staff for the job they’ve done during COVID and over the last two years. Alderman Costantino and Alderman Shelton concurred.

12. Mayor’s Notes

Announcements and Date Reminders

A. Tuesday, November 3		Election Day
B. Monday, November 9	5:00 p.m.	Rowan Chamber Business After Hours (virtual)
C. Monday, November 9	6:00 p.m.	Planning Board
D. Wednesday, November 11		Veterans’ Day – Office Closed
E. Thursday, November 12	5:00 p.m.	CCOG Executive Board Meeting (virtual)
F. Thursday, November 12	6:00 p.m.	Community Appearance Commission
G. Monday, November 16	5:00 p.m.	Parks, Events, and Recreation Committee
H. Monday, November 16	5:30 p.m.	Zoning Board of Adjustment
I. Tuesday, November 17	3:30 p.m.	Revitalization Team
J. Wednesday, November 18	5:30 p.m.	Cabarrus-Rowan County MPO Meeting
K. Thursday, November 19	7:30 a.m.	Rowan Chamber Power in Partnership Webinar
L. Thur. & Fri., November 26 & 27		Office Closed for Thanksgiving Holiday

Adjourn

ACTION: Alderman Costantino made a motion to adjourn. Mayor Pro Tem Linker seconded the motion. The motion passed 3-0. The meeting ended at 7:58 p.m.

Respectfully Submitted,

Aubrey Smith
Town Clerk



Town of Granite Quarry Fire Department

Established May 15th, 1950

PO Box 351

www.granitequarrync.gov

Granite Quarry, NC

704/279-5596



Board Report December/2020 Chief Hord

Emergency Calls for Service November 2020

20 calls in district

- 8 - EMS (including strokes, falls, diabetic, CPR and other Medical needs)
- 1 - Public assist
- 1 - Motor vehicle accidents
- 1 - CO Alarm
- 3 - Move up to our quarters
- 1 - Brush Fire
- 1 - Service assignment to block roadway

16 calls to Salisbury

- 8 - Alarm/Structure, EMS calls canceled en-route
- 4 - Structure fires - Manpower
- 4 - EMS

8 calls to Rockwell Rural

- 6 - Alarm/Structure, EMS calls canceled en-route
- 1 - CO Alarm/Manpower
- 1 - Gas leak/Manpower

5 calls to Union

- 4 - canceled en-route
- 1 - Fire Alarm/Manpower

2 - Calls to Faith - canceled en-route

3 - Call to Rockwell City - Fire Alarm - canceled en-route

1 - Call to Bostian Heights - Waterpoint

1 - Call to East Spencer - Working fire

1 - Call to South Salisbury - canceled en-route

TOTAL – 57

ACTIVITIES

- Daily activities include apparatus & equipment checks, training, station maintenance, pre-plan development, hose and hydrant maintenance, water points, emergency response, public education, inspections, and the assistance of other divisions within the Town of GQ.
- Rigorous cleaning/decontamination, due to suggested COVID response multiple times daily.
- Our monthly training resumed and included E.M.T. continuing education. Joint Training with Faith F.D. and Rockwell Rural F.D.
- Multiple days of ladder training, water point training, hose evolutions, new extrication tool familiarization, and district familiarization. Weekly shift training/ officer's choice.
- Car Seat Check Station on Thursday from 1 p.m. to 4 p.m. – 3 seats installed/checked.
- ISO evaluation completed; results expected after 1st of the year.
- Training burn on South Main street along with Rockwell Rural FD.
- Assisted auxiliary with Christmas tree at Lake park.

EQUIPMENT

- Camper shell and slide unit installed on new pickup



November Work 2020 Maintenance Report

- Normal Maintenance Duties Daily- (parks, cleaning, mowing, edging, service on equipment, limbs & sweeping)
- PM check on generator
- Installed new street signs
- Leaf pick up every other week
- FEMA project for Lake in final approved awaiting RFP from AWCK
- Preconstruction meeting for sewer line extension
- HVAC repair on FD bay furnace
- Christmas lights put up through town and parks
- Various storm repairs in town
- Winterized bathrooms at Civic Park

2007 Ford Truck	Mileage – 59,116	+157 miles
1995 Ford Dump Truck	Mileage – 38,836	+397 miles
2009 Ford Truck	Mileage – 75,293	+1091 miles
2019 Ford Truck F350	Mileage – 6,719	+547 miles



Planning Department Monthly Report November 2020

ZONING PERMITS

8 issued

Date	Address	Permit	Status
10/30/2020	1060 Dunns Mtn Ch Rd	PERC Test	Approved
11/2/2020	900 Legion Club Rd	Residential	Approved
11/6/2020	926 Legion Club Rd	Residential	Approved
11/6/2020	US Hwy 52	Residential	Approved
11/9/2020	1735 Heilig Rd	Industrial	Approved
11/13/2020	517 N Main St	Residential	Approved
11/18/2020	5655 US Hwy 52	Residential	Approved
11/23/2020	1625 St Pauls Ch Rd	Residential	Approved

Code Violations

(2 prior violations resolved; 4 new violations cited)

Date	Address	Issue	Status
10/26/2020	306 N Salisbury Ave	Various – Sign related	Resolved
10/28/2020	105 N Salisbury Ave	Vehicle in site triangle	Resolved
11/2/2020	116 W Church St	Trash can in street excess of 48 hours	Pending
11/2/2020	316 N Salisbury Ave	Trees down and leaning toward power lines	Pending

November Planning and Zoning Inquiries

Date	Location	Issue
10/28/2020	6350 US Hwy 52	Possible subdivision for additional duplex
10/28/2020	Faith Rd	Stream crossing at Village at Granite
11/4/2020	Stone Rd	Possible subdivision of property
11/4/2020	206 Wall St	Possible renovation
11/6/2020	Rowland lane	Question on duplex construction materials
11/6/2020	US Hwy 52	Questions on Walker mobile home park
11/9/2020	Martin St	Flooding problems
11/12/2020	Coley Rd	Flooding problems
11/23/2020	off Coley Rd	Road naming process
11/23/2020	Town-wide	Potential solution to mailboxes in sidewalk ROW
11/23/2020	Town-wide	Review water/sewer ext and annexation policy

Miscellaneous

- 11/9/2020 Planning Board - First discussion of Downtown LI rezoning with property owners
- 11/12/2020 Community Appearance Commission - Presentation on code enforcement and appearance incentives
- 11/16/2020 ZBA Meeting - Training
- 11/17/2020 Revitalization Team – Presentation on Downtown curb and gutter



Granite Quarry-Faith Joint Police Authority

P.O. Box 351 • 143 North Salisbury Ave, Granite Quarry, NC 28072
Office: (704)279-2952 • Fax: (704)279-6648



Police Department Report

November 2020

- Call volume report for the month of November 2020:

- Date of Report: 11/30/2020
 - Total calls for service/activities – 245
 - Calls for service/activities Granite Quarry: 203
 - Calls for service/activities Faith: 43
 - Incident Reports- 6
 - Arrest Reports- 4
 - Crash Reports- 7
 - Traffic Citations- 12
 - See Attached for Total Calls for Service.

- The following is the ending and average mileage for each vehicle by month:

221 Chevy Impala-	End-	62,931
224 Ford Taurus-	End-	73,344
225 Ford Utility-	End-	59,655
226 Ford Utility -	End-	40,129
227 Ford Utility -	End-	62,075
228 Ford Utility -	End-	30,576
229 Ford F150 -	End-	47,468
230 Dodge Durango -	End-	24,437
231 Ford Utility-	End-	4,315

- Other Information:

- Average response time for November CFS is 3.10 minutes.
- Drug Collection Box. October 2020: 15.86 pounds collected.
- October CID Report. 2 Cases assigned; 1 Cases cleared; 15 follow-ups conducted; 89 open assigned cases.
- Officers completed 84 hours of in-service or continuing education training in October.

GQPD

Number of Events by Nature

CFS November 2020

Nature	# Events
103A2 FOUND PROPERTY	1
103A4 ADMIN (OTHER)	1
104C2 COMMERCIAL BURG (INTRUSI	5
104C3 RESIDENTIAL BURG (INTRUSI	5
106D1 SHOOTING	1
110D2 RESIDENTIAL B&E	3
111D1 DAMAGE TO PROPERTY	1
112D2 DECEASED (SUDDEN)	1
113A1 DISTURBANCE - PAST	1
113B2 OTHER NOISE COMPLAINT	1
113B3 NUISANCE COMPLAINT	1
113C1 DISTURBANCE-LOUD PARTY	1
113D1 DISTURBANCE / PHYSICAL	2
113D2 DISTURBANCE / VERBAL	4
114D2 VERBAL DOMESTIC	4
114D3 PHYSICAL FAMILY DOMESTIC	1
114D4 VERBAL FAMILY DOMESTIC	1
115D1 DRIVING UNDER INFLUENCE	1
118B2 FRAUD-PAST FORGERY	2
119D3 THREAT	1
121O2 MENTAL COMMITMENT	1
125B1 CHECK WELFARE - ROUTINE	3
125D1 CHECK WELFARE-URGENT	1
126B1 PAST PERSONAL ROBBERY	1
127D1 SUICIDE ATTEMPT	1
129B3 SUSPICIOUS CIRCUM (PAST)	1
129C1 SUSPICIOUS PERSON	3
129C3 SUSPICIOUS VEHICLE	4
129C5 SUSPICIOUS CIRCUMSTANCE	3

Nature	# Events
130B1 LARCENY (ALREADY OCC)	2
130B3 THEFT FROM VEH (PAST)	1
130C1 THEFT JUST OCCURED	2
130D1 LARCENY	2
131A2 HIT AND RUN - PAST	1
131B1 TRAFFIC ACCIDENT - PD	3
132A1 ABANDONED VEHICLE	1
132B2 PARKING COMPLAINT	1
132C2 HAZARDOUS ROAD CONDITION	1
133D1 TRESPASSING	3
135C1 SHOTS FIRED (HEARD)	1
23C1 OVERDOSE OR POISON	1
77B1 TRAFFIC ACC - INJURY	1
911 HANG UP	8
9E2 CARDIAC OR RESP ARREST	1
ASSIST DSS	1
ASSIST FIRE DEPT	5
ASSIST MOTORIST	2
ATTEMPT TO LOCATE	1
BURGLARY ALARM	6
BUSINESS OR HOUSE CHECK	38
CIVIL PROCESS	1
COMMUNITY PROGRAM	2
DELIVER MESSAGE	4
DOMESTIC PROPERTY PICKUP	1
FOLLOWUP	10
GENERAL INFORMATION	3
MISDIAL	3
PARK CHECK	45
SCHOOL SECURITY CHECK	1
SUBPOENA SERVICE	4
TRAFFIC CHECK	1

Nature	# Events
TRAFFIC CONTROL	2
TRAFFIC STOP	29
UNAUTHORIZED USE OF CONVEYANCE	1
VEHICLE ACCIDENT PROP DAMAGE	4
WARRANT SERVICE	9
Total	258



Finance Department

Breakdown of Departments:

As of October 31, 2020

Department	Budgeted	YTD	
Revenues:	<u>2,861,740</u>	<u>1,276,271</u>	<u>45%</u>
Total Revenues:	\$ 2,861,740	\$ 1,276,271	45%
Expenses:			
Governing Body	188,249	20,943	11%
Administration	609,825	225,956	37%
Maintenance	522,433	95,121	18%
Parks & Recreation	76,958	49,405	64%
Police Dept.	687,635	217,919	32%
Fire Department	519,172	232,885	45%
Sanitation	135,693	46,603	34%
Streets	<u>121,775</u>	<u>8,673</u>	7%
Total Expenses	\$ 2,861,740	\$ 897,504	31%
Expense to Revenue:			70%

Please see the Budget Vs. Actual Report attached for specific line items

Revenues:				
Disp Acct	Budget	YTD	Variance	Prcnt
01-3100-12 Taxes - Budget Year	932,604	639,814	(292,790)	69%
01-3100-17 Tax Penalties & Interest	2,000	402	(1,598)	20%
01-3101-12 Taxes - Prior Years	4,000	1,011	(2,989)	25%
01-3102-12 Vehicle Tax	100,000	40,830	(59,170)	41%
01-3230-31 Local Option Sales Tax	719,146	270,845	(448,301)	38%
01-3231-31 Solid Waste Disposal Tax	2,186	564	(1,622)	26%
01-3261-31 Cable Franchise Tax	5,800	-	(5,800)	0%
01-3300-36 Grants	243,075	-	(243,075)	0%
01-3316-32 Powell Pave & Patch Funds	82,724	40,265	(42,459)	49%
01-3319-36 COVID-19 Relief Fund	90,641	90,641	-	100%
01-3322-31 Beer & Wine - State	13,430	-	(13,430)	0%
01-3324-31 Utilities Franchise Tax	144,484	29,047	(115,437)	20%
01-3330-84 County First Responders	4,020	1,340	(2,680)	33%
01-3340-41 Permits	3,000	5,430	2,430	181%
01-3346-40 Abatements	200	183	(18)	91%
01-3413-89 Miscellaneous Revenue	1,000	691	(309)	69%
01-3431-41 Police Authority Revenue_Faith	136,000	34,000	(102,000)	25%
01-3431-45 Police Report Revenue	100	80	(20)	80%
01-3431-89 Police Miscellaneous	800	889	89	111%
01-3471-51 Solid Waste/Recycling Collection - Salisbu	138,500	38,388	(100,112)	28%
01-3491-41 Subdivision & Zoning Fees	2,500	550	(1,950)	22%
01-3713-33 Sal. Water/Sewer Reimbursement	50,000	-	(50,000)	0%
01-3831-89 Interest on Investments *	10,000	5,692	(4,308)	57%
01-3834-41 Park Shelter Rentals (Maint)	2,000	660	(1,340)	33%
01-3835-81 Surplus items Sold	3,500	260	(3,240)	7%
01-3836-82 Sale of Land	63,650	63,166	(484)	99%
01-3837-31 ABC Net Revenue-Co.	10,250	6,472	(3,778)	63%
01-3980-96 Transfers Other Funds	5,051	5,051	-	100%
01-3991-99 Fund Balance Appropriated	91,079	-	(91,079)	0%
	2,861,740	1,276,271	(1,585,469)	45%

*See last page for breakdown of account# 01-3831-89 Interest on Investments

Governing Body:				
Disp Acct	Budget	YTD	Variance	Prcnt
01-4110-02 Mayor/Aldermen Salary	12,575	-	12,575	0%
01-4110-08 Board Expense	670	420	250	63%
01-4110-09 FICA Expense	962	-	962	0%
01-4110-14 Insurance - Workers Comp	60	40	20	66%
01-4110-18 Professional Services	16,586	5,500	11,086	33%
01-4110-26 Office Expense	400	20	380	5%
01-4110-29 COVID-19 Relief Funds	90,641	2,673	87,968	3%
01-4110-31 Training & Schools	100	-	100	0%
01-4110-40 Dues & Subscriptions	12,075	10,826	1,249	90%
01-4110-45 Insurance & Bonds	1,600	1,464	136	92%
01-4110-61 Grants - Nonprofit Grant Program	100	-	100	0%
01-4110-97 Board Contingency	52,480	-	52,480	0%
	188,249	20,943	167,306	11%

Administration:				
Disp Acct	Budget	YTD	Variance	Prcnt
01-4120-00 Salaries - Regular	220,000	69,219	150,781	31%
01-4120-02 Salaries - Part-Time	35,000	13,020	21,980	37%
01-4120-07 401K Expense	11,000	3,461	7,539	31%
01-4120-09 FICA Expense	19,508	6,137	13,371	31%
01-4120-10 Retirement Expense	22,330	7,099	15,231	32%
01-4120-11 Group Insurance	34,000	6,840	27,160	20%
01-4120-14 Insurance - Workers Comp	615	428	187	70%
01-4120-17 Insurance - HRA/Admin Cost	5,450	400	5,050	7%
01-4120-18 Professional Services	42,645	9,871	32,774	23%
01-4120-22 Banquet Expense	1,700	-	1,700	0%
01-4120-26 Office Expense	11,000	3,183	7,817	29%
01-4120-29 Supplies & Equipment	200	-	200	0%
01-4120-31 Training & Schools	7,000	2,033	4,967	29%
01-4120-32 Telephone/Communications	3,500	1,072	2,428	31%
01-4120-33 Utilities	4,500	1,368	3,132	30%
01-4120-34 Printing	5,000	1,608	3,392	32%
01-4120-35 Maint & Repair - Equipment	500	-	500	0%
01-4120-37 Advertising	3,500	542	2,958	15%
01-4120-40 Dues & Subscriptions	3,500	2,038	1,462	58%
01-4120-44 Contracted Services	13,750	7,102	6,648	52%
01-4120-45 Insurance & Bonds	4,100	3,831	269	93%
01-4120-61 Grants - Grant Related Expenditures	3,500	-	3,500	0%
01-4120-68 Tax Collection	18,000	-	18,000	0%
01-4120-71 Water Line - Principal	50,000	-	50,000	0%
01-4120-72 Water Line - Interest	4,210	1,388	2,822	33%
01-4120-96 Interfund Transfer	85,317	85,317	(0)	100%
	609,825	225,956	383,869	37%

Maintenance:				
Disp Acct	Budget	YTD	Variance	Prcnt
01-4190-00 Salaries - Regular	110,000	35,794	74,206	33%
01-4190-02 Salaries - Part-Time	35,500	15,332	20,168	43%
01-4190-07 401K Expense	5,500	1,844	3,656	34%
01-4190-09 FICA Expense	11,131	3,911	7,220	35%
01-4190-10 Retirement Expense	11,165	3,774	7,391	34%
01-4190-11 Group Insurance	22,000	5,966	16,034	27%
01-4190-14 Insurance - Workers Comp	7,500	5,247	2,253	70%
01-4190-20 Motor Fuel	7,000	2,259	4,741	32%
01-4190-21 Uniforms & Janitorial Supplies	4,500	-	4,500	0%
01-4190-24 Maint & Repair - Bldgs/Grounds	10,000	2,821	7,179	28%
01-4190-25 Maint & Repair - Vehicles	2,000	944	1,056	47%
01-4190-26 Office Expense	25	-	25	0%
01-4190-29 Supplies & Equipment	7,500	3,089	4,411	41%
01-4190-31 Training & Schools	250	34	216	14%
01-4190-32 Telephone/Communications	775	298	477	38%
01-4190-33 Utilities	3,100	996	2,104	32%
01-4190-34 Printing	50	6	44	12%
01-4190-35 Maint & Repairs - Equipment	10,000	3,282	6,718	33%
01-4190-40 Dues & Subscriptions	150	50	100	
01-4190-44 Contracted Services	21,850	790	21,060	4%
01-4190-45 Insurance & Bonds	3,600	2,923	677	81%
01-4190-96 Interfund Transfer	248,837	5,762	243,075	2%
	\$522,433	\$95,121	\$427,312	18%

Parks & Rec:				
Disp Acct	Budget	YTD	Variance	Prcnt
01-6130-21 Uniforms & Janitorial Supplies	2,000	-	2,000	0%
01-6130-24 Maint & Repair - Bldgs/Grounds	46,958	44,643	2,315	95%
01-6130-29 Supplies & Equipment	4,000	655	3,345	16%
01-6130-33 Utilities	16,000	4,107	11,893	26%
01-6130-44 Contracted Services	3,000	-	3,000	0%
01-6130-62 Committees - PERC	5,000	-	5,000	0%
	76,958	49,405	27,553	64%

Police Department:				
Disp Acct	Budget	YTD	Variance	Prcnt
01-4310-00 Salaries - Regular	394,000	115,302	278,698	29%
01-4310-02 Salaries - Part-Time	15,000	9,276	5,724	62%
01-4310-07 401K Expense	19,700	5,795	13,905	29%
01-4310-09 FICA Expense	31,289	9,750	21,539	31%
01-4310-10 Retirement Expense	42,946	12,693	30,253	30%
01-4310-11 Group Insurance	76,000	16,365	59,635	22%
01-4310-14 Insurance - Workers Comp	13,500	8,579	4,921	64%
01-4310-20 Motor Fuel	19,000	3,825	15,175	20%
01-4310-21 Uniforms & Janitorial Supplies	3,000	972	2,028	32%
01-4310-25 Maint & Repair - Vehicles	6,000	2,858	3,142	48%
01-4310-26 Office Expense	1,500	157	1,343	10%
01-4310-29 Supplies & Equipment	8,000	1,170	6,830	15%
01-4310-31 Training & Schools	3,000	493	2,507	16%
01-4310-32 Telephone/Communications	8,000	2,540	5,460	32%
01-4310-33 Utilities	3,000	494	2,506	16%
01-4310-34 Printing	1,000	166	834	17%
01-4310-35 Maint & Repair - Equipment	2,000	-	2,000	0%
01-4310-40 Dues & Subscriptions	3,650	1,124	2,526	31%
01-4310-44 Contracted Services	23,250	13,560	9,690	58%
01-4310-45 Insurance & Bonds	13,800	12,800	1,000	93%
	687,635	217,919	469,716	32%

Fire Department:				
Disp Acct	Budget	YTD	Variance	Prcnt
01-4340-00 Salaries - Regular	113,900	42,209	71,691	37%
01-4340-02 Salaries - Part-Time	185,000	58,558	126,442	32%
01-4340-07 401K Expense	5,695	2,346	3,349	41%
01-4340-09 FICA Expense	22,866	7,449	15,417	33%
01-4340-10 Retirement Expense	11,561	4,664	6,897	40%
01-4340-11 Group Insurance	25,500	6,521	18,979	26%
01-4340-14 Insurance - Workers Comp	14,000	10,728	3,272	77%
01-4340-20 Motor Fuel	5,000	1,026	3,974	21%
01-4340-21 Uniforms & Janitorial Supplies	3,000	476	2,524	16%
01-4340-25 Maint & Repair - Vehicles	6,000	5,904	96	98%
01-4340-26 Office Expense	250	-	250	0%
01-4340-29 Supplies & Equipment	20,000	12,144	7,856	61%
01-4340-31 Training & Schools	2,000	10	1,990	1%
01-4340-32 Telephone/Communications	3,800	1,649	2,151	43%
01-4340-33 Utilities	5,700	1,834	3,866	32%
01-4340-34 Printing	400	130	270	33%
01-4340-35 Maint & Repair - Equipment	3,000	846	2,154	28%
01-4340-40 Dues & Subscriptions	3,000	650	2,350	22%
01-4340-44 Contracted Services	10,000	5,220	4,780	52%
01-4340-45 Insurance & Bonds	8,000	7,227	773	90%
01-4340-54 Cap Outlay - Vehicles	38,000	31,000	7,000	82%
01-4340-55 Cap Outlay - Equipment	32,500	32,292	208	99%
	519,172	232,885	286,287	45%

Sanitation:				
Disp Acct	Budget	YTD	Variance	Prcnt
01-4710-64 Recycling	10,125	6,790	3,335	67%
01-4710-65 Garbage Services	125,568	39,813	85,755	32%
	135,693	46,603	89,090	34%

Streets:				
Disp Acct	Budget	YTD	Variance	Prcnt
01-4510-18 Professional Services	750	750	-	100%
01-4510-29 Supplies & Equipment	1,750	-	1,750	0%
01-4510-35 Maint & Repair	5,000	-	5,000	0%
01-4510-71 Debt Service - Principal	50,000	-	50,000	0%
01-4510-72 Debt Services - Interest	10,233	-	10,233	0%
01-4510-99 Unappropriated Fund Balance	20,042	-	20,042	0%
01-4511-33 Utilities - Street Lights	34,000	7,923	26,077	23%
	121,775	8,673	113,102	7%

Capital / Grant Project Ordinances:				
Disp Acct	Budget	YTD	Variance	Prcnt
Town Hall Upgrades Project	387,116	387,116	-	100%
FEMA Granite Lake Project	437,793	57,889	379,905	13%
Industrial Development Sewer Grant Project	323,892	54,705	269,187	17%
Streets Improvement Project	344,950	344,950	-	100%
	1,493,751	844,659	649,091	57%

Town of Granite Quarry
Town Manager's Report
December 2020



1. **FY2021-2022 Planning and Budget Calendar. (Attached)**

The annual *proposed* planning / budget calendar based on normal progression of things is attached. After Board discussion of its 2021 meeting dates and feedback on the attached proposed calendar, we will modify any of the proposed target dates as needed.

2. **Town Goals “At a Glance” spreadsheet. (Attached)**

As summarized below in #3, we are still plugging away. If you have a chance, please review the attached Goals spreadsheet before the meeting. Let me know if you have any questions beforehand, but otherwise I’ll run through highlights and of course take the Board’s guidance at the meeting.

3. **Coronavirus.**

We’re still plugging away at daily operations & goals despite the additional challenges and responsibilities that have come with the drastic community spread of the virus again. Fortunately we predicted and prepared for this resurgence of community spread to happen (even earlier than it did), so we are still ahead of a lot of our peers. We will continue to stay updated & remain vigilant.

4. **Committee Reports.**

A. **Revitalization Team.**

- US 52 sidewalks / streetscape. The planner and manager brought the Team up to speed on the town goal of pursuing options for downtown sidewalk improvements through discretionary or other funds – and the associated items that would have to be undertaken concurrently. We will continue discussion on that at the December meeting.
- Public Forum. The Team continued discussion of holding a public forum in January to meet with business owners and property owners, contingent upon coronavirus status & restrictions.

B. **Parks, Events, and Recreation Committee.**

- Christmas Banquet Alternative. Finalized plans for the drive-thru dinner pick up December 4.
- Christmas at the Lake. Worked on plans for social distancing and sanitizing for the event. The event has since been cancelled of course due to coronavirus escalation response.
- Granite Fest '21. Discussed expanding the event for next year, including signing a bigger band to perform. A draft contract for the band was apparently requested and has been forwarded to staff to review. At time of report I am trying to fit that in to reviewing with staff, etc as well.

C. **Community Appearance Commission.**

- Code Enforcement update. As continued orientation to the recently resuscitated CAC, the planner met with the group also to discuss code enforcement, nuisance ordinances, and the roles CAC can play in proactively and positively assisting staff with those issues.

- Zones. Members reviewed draft maps breaking the Town limits into 7 areas – one zone for each member of the CAC to take ownership of.
- Christmas decorating contest. Decided to move forward with the quickly-planned decoration contest for residents within town limits (they did decide not to include businesses this year). CAC members will pick out 3 winners and announce those on December 15.

D. Joint Police Authority Committee.

I forwarded a copy of the meeting minutes after the last Board meeting. Since then, the final amount of rollover funds after auditing adjustments came in at much less than the CPA's initial projection. So we have the budget amendment on this meeting's agenda to move 100% of those funds into Capital Outlay to cover the vehicle purchases, and Chief Cook and I are following up on a revised proposal for the remainder funds past that.

5. Capital and Grant Projects.

A. 2020-05 IDF Grant Industrial Park Sewer Extension.

Pre-construction meeting with engineers, contractor, and utilities to go over specs and game plan went well. Contractor still anticipates a January start date for construction.

B. 2020-04 FEMA Grant Granite Lake repairs.

Unfortunately still no substantive updates to pass along from our engineering firm. Both Jason and I have continued following up with pressure to expedite finalizing the specs and getting the Invitation to Bid out asap.

6. Other Capital Items / Major or Pending Projects

A. Town Hall Space Needs.

Architect finalized drafts and framework for the space needs update. We are currently working on scheduling time with key staff to run through his questions.

B. Personnel Policy / Salary Classification Study.

Consultant and I have run through her draft report summary notes and will meet again 12/3 on some follow ups she needed to research. She is concurrently working through Personnel Policy draft notes with Aubrey.

C. Recodification of Ordinances.

Municode's attorney sent us a revised draft of his follow up to our last legal review questions. Steve, Aubrey, Chip, and I will be buckling down over the next few weeks to review and respond on those items. Target deadline is to have the legal review completed this month!

D. Clyde Adams plaque.

Initial quotations on plaque options were surprisingly astronomical. Chief Cook is going to look for some other vendors to secure some additional quotes.

FY2021-2022 PLANNING and BUDGET CALENDAR - Proposed

Date	Item	NOTES
11/2/20 to 12/31/20	Preliminary Planning Preparation	Staff advisors begin assisting Committees with review of Master Plans / established Town Goals; identifying any issues or needs that might need BOA Planning Retreat discussion and/or budgetary considerations for accomplishment. <u>Dept Heads</u> begin establishing & prioritizing departmental goals for the upcoming year.
1/4/21 to 1/29/21	Preliminary Budget Preparation	Staff review of Schedule of Fees (any user fee studies to be completed by 1/31/21). Finance Officer and Manager complete <u>Prior Year Actual</u> worksheets; distribute to Dept Heads. Dept Heads and Manager prepare <u>5-year Capital Project Planning</u> worksheets. Manager distributes <u>Budget Estimation and Request Forms</u> to Dept Heads.
1/4/21 to 1/29/21	Staff and Committee Planning Needs / Issues	Staff and Committees submit summaries & lists of Needs / Issues to Town Clerk for compilation.
	BOA Goals	Manager distributes Planning Retreat questionnaires to Board members; Board members submit list of goals/issues for Retreat consideration to Clerk for compilation.
2/1/21 to 2/12/21	Planning Retreat Packet Preparation	Compile and preliminarily vet / complete staff proposals and summaries for BOA. Compile BOA issues into a comprehensive list. Deliver Planning Retreat packet to BOA by Friday, 2/12/21.
2/1/21 to 2/12/21	Complete 5-Year Capital Projections	Complete 5-Year Capital Project Planning Report
	Start of Budget Data Entry	Prepare FY2020-2021 End Of Year Revenue preliminary estimates on all funds. Preliminarily project FY2021-2022 Revenue estimates on all funds. Present, discuss, and refine estimates with Dept Heads, Town Manager.
2/1/21 to 2/26/21	Preliminary Departmental Revenue and Expenditure Estimates	Complete all <u>Budget Estimations and Request Forms</u> , submit to Manager no later than 2/26/21.
Friday, 2/19/21	Board of Aldermen FY21-22 Planning Retreat	Annual goal-setting retreat to review Departmental and Board/Committees goals; Establish and prioritize the major Town goals to focus on developing for the upcoming year.
3/1/21 to 3/12/21	Prepare Preliminary Budget Revenues and Known Expenditures	Dept Heads and Manager work up a rough framework of budget; identify issues, opportunities, and wildcards / items needing more information or development.
Friday, 3/19/21	<i>Tentative Proposed Date</i> Board of Aldermen Budget Workshop	Manager presents preliminary overview of FY21-22 budget's framework and major items; BOA gives feedback, guidance, continues vetting of goals and major / capital items.
4/1/21 to 4/9/21	3rd Quarter Budget v Actual	Finance Officer distributes 3rd quarter "budget v actual" to Dept Heads and Town Manager. Dept Heads refine budget line item estimates wherever possible; review with Manager.
4/1/21 to 4/30/21	Salary and Benefits Study	Manager conducts preliminary salary surveys and benefits study with Finance Officer, Clerk. <i>(This year pay classification study will have recently been completed)</i>
	Budget Development	Estimated revenues and appropriations continue review and adjustment. Workshops if needed; decisions are made to guide Manager in proposing a balanced budget.
Monday, 5/3/21	<i>Tentative Proposed Date</i> Board of Aldermen Monthly Meeting Presentation of FY21-22 Budget Message	Manager presents budget document, along with budget message, to BOA for its consideration. BOA schedules Public Hearing Date for budget; gives Manager any additional direction. Copy of budget is filed with the Clerk at time it is presented to the Board. Clerk makes copy available news media, on website, etc.
5/28/21 to 5/30/21	Advertise Public Hearing	Place Notice of Public Hearing on Town website. Post Notice of Public Hearing in Town Hall bulletin board. Advertise Public Hearing at least once on Town Hall electronic information sign. Advertisement runs in the Salisbury Post 5/30/21 for public hearing on June 1, 2021.
Monday, 6/7/21	Board of Aldermen Monthly Meeting Recommended Public Hearing: FY21-22 Budget	<i>"At least 10 days must elapse between submission of the budget and adoption of the budget ordinance."</i>
Post Budget Adoption		
Upon Budget Adoption	Signatures Minutes Publicize Filed copies	Mayor Signs, Clerk seals Budget Ordinance. Budget Ordinance must be entered in the Board's minutes. Budget Ordinance posted on town's website. <u>Within 5 days after adoption</u> , copies must be filed with budget officer, finance officer, and clerk.

2020-2021 Project Goals

GOAL	DEPARTMENT	PRIMARY	TARGET DATE	BOARD PRIORITY ASSIGNMENT	NOTES / STATUS	PROJECTED COST	ACTUAL COST	PERCENT COMPLETE August 1	PERCENT COMPLETE October 1	PERCENT COMPLETE December 1
Added 12/2019: Charter, Ordinances, JPA, Policies, Guidelines 2020 RETREAT: Assigned High Priority	Administration	Larry, Aubrey	Jun 2021	High	Charter clarification drafted. Ordinances (160D UDO review after Recod)(see next 2 goals also). JPA and Personnel Policy reviews underway. Policies and guidelines ongoing.			20%	50%	60%
Recodification of Ordinances ⁴	Administration ⁴	Aubrey	Jan 2021	High	Legal review underway (additional 160D UDO review after Recod is complete included w "Ordinances" goal above).	\$ 11,950.00	\$ 10,160.00	60%	65%	75%
Code Enforcement 2020 RETREAT: Ordinance Review	Administration ⁵	Larry, Steve		Med.	Problematic ordinances identified and revised (completed). CAC resuscitated & meeting. "Next steps": Review HR consultant's findings; additional BOA strategic direction at '21 Retreat; align CAC and staff with those goals.	\$ -	\$ -	20%	40%	100%
2020 RETREAT: Stormwater				High	Simply listed after impromptu discussion with planner at '20 Retreat. Remove from current goals list; can be added to revised list if it becomes BOA goal from '21 Retreat?					
2020 RETREAT: Master Plan (Town)				High	Assigned high priority by 2 Aldermen, but no discussion. (same as Parks & Rec Master Plan below?)					
Sidewalks Downtown 52 w. No State \$ Discretionary Funds 2020 RETREAT: Assigned High Priority	Administration ⁷	Mayor ?		Low High	Preliminary staffwork & engineering completed. "Next step" Strategic discussion / Revitalization (presented 11/17/20, follow up work plan disc in December).	\$ 560,000.00		25%	25%	30%
Town Hall Renovation Upgrades (scope amended 11/4/19)	Administration ⁶	Larry	Oct 2020	High	Upgrades project complete. Town Hall Needs Assessment update by architect underway. "Next step" Strategic discussion / Revitalization (tied w Sidewalks Downtown 52).	\$ 403,803.00	\$ 387,115.53	95%	99%	99%
Town Square (Amended scope 6/2019 to create plan designs)	Revitalization	Revitalization		High	Redesign completed. "Next step" Strategic discussion / Revitalization.	\$ 40,000.00	\$ 3,500.00	50%	50%	50%
Parks and Recreation Master Plan ² 2020 RETREAT: Assigned Medium Priority	Parks & Rec ²	PERC Comm?		Med.	Initial cost estimate secured 19-20 but wasn't prioritized. 2020 Retreat prioritized; incl in FY20-21 budget (BOA Cont).	\$ 25,000.00		0%	0%	5%
Tennis Courts ² (incorporated into/with Master Plan)	Parks & Rec ²			Low	Presented to BOA 11/2/20; "tabled" to January 2021.					
2020 RETREAT: Sidewalk and Trail Plan				Med.	Simply listed after presentation by planner at 2020 retreat. Combined with Bike & Ped Planning Grant goal for now?					
NCDOT Bicycle and Pedestrian Planning Grant	Planning	Steve		No Priority Assigned	Application submitted, awaiting disposition	\$ 3,500.00		5%	15%	15%
2020 RETREAT: Maintenance Equip (Facilities Needs Assessment)				Med.	Hot patch trailer de-prioritized during budget workshops; Discussion of facilities needs/equip storage incl in next goal.	\$ 5,000.00		0%	0%	50%
2020 RETREAT: Building Needs (Facilities Needs Assessment)				Med.	Town Hall Needs Assessment update underway.					
Zoning Study: Light Industrial downtown area (added 7/6/20)	Planning	Steve, PB	Apr 2021	No Priority Assigned	Board direction to study LI zoning - esp undeveloped prop. PB also incorporating Downtown Overlay Master Plan goal.	\$ -	\$ -	0%	0%	25%
FEMA Grant - Granite Lake Park	Maintenance	Staff	Apr 2021	High	Studies complete. FEMA federal and state approval secured. Pending RFP const; ext to July '21 to complete	\$ 437,793.00		75%	80%	85%
State Utility Fund grant: utilities extension at industrial park	Economic Dev ³	Manager	Mar 2021	High	Easements secured. Contract awarded; est const Jan '21.	\$ 277,800.00	\$ 21,694.00	80%	85%	90%
Added 10/2019: Annexations and development recordings	Administration	Staff, Attorney	Jun 2020	No Priority Assigned	Staff research, reconstruct/corrections complete. Atty still working on Faith Rd property with Sec of State.			95%	95%	95%
Quarry property - Relocation brush pile, annexation	Administration	Staff, Attorney	Dec 2020	High	Survey completed. Yard waste permit approved. Atty drafting legal desc, then we can start annexation process.	\$ 115,000.00	\$ 90,053.44	50%	75%	80%
Capital Streets & Sidewalks Campaign (re-scoped 8/5/19) 2020 RETREAT: Assigned High Priority	Maintenance	Chief Hord	Sep 2020	High	Completed	\$ 350,000.00	\$ 344,949.46	95%	100%	100%
Town Properties Overview - 316 S Main St	Administration	Larry	Sep 2020	No Priority Assigned	Closed on property 7/20. Yard waste permit released 8/20.	\$ (50,000.00)	\$ 67,000.00	95%	100%	100%
2020 RETREAT: Police Dept Salaries	Police	Chief Cook, Larry	FY20-21	High	Complete - adopted			100%	100%	100%
Annual Sidewalk Repair/Street Paving (see PWP notes) Orig goal replaced with diff scope project (\$350k-LGC review) → Imminent sidewalk repairs approved 11/4/19 2020 RETREAT: Assigned High Priority to complete	Maintenance	Chief Hord	4/1/19 April 2020	High	Imminent sidewalk repairs project complete. New scope ("Capital Streets...") broken out sep. above US52 sidewalks / Revitalization broken out sep. above	\$ 42,000.00	\$ 28,975.00	100%	100%	100%

Agenda Item Summary

Regular Meeting
December 7, 2020
Agenda Item 6

2021 Meeting Day

Summary:

At its September meeting the Board discussed 2021 meeting dates. Discussion included the time it takes to gather agenda materials and the cut-off time for information included in departmental and financial reports. This item was continued to the October meeting to get staff feedback on moving the meetings to the 2nd Monday of each month.

Staff reported back at the October meeting. Consensus was that the 2nd Monday would indeed assist with preparation of monthly departmental and financial reports. The Board discussed the effect moving the meetings would have, specifically on the Planning Board who currently meets on the second Monday of each month. There was Board consensus to continue the discussion at the November meeting with a request to gather the Planning Board's feedback.

The Planning Board reported that they are flexible and can meet on the first week of the month.

Action Requested:

Motion to move the Regular Board of Aldermen Meetings to the 2nd Monday of each month for the calendar year 2021.

Motion Made By:

- Jim Costantino
- Kim Cress
- John Linker
- Doug Shelton

Second By:

- Jim Costantino
- Kim Cress
- John Linker
- Doug Shelton

For:

- Jim Costantino
- Kim Cress
- John Linker
- Doug Shelton

Against:

- Jim Costantino
- Kim Cress
- John Linker
- Doug Shelton

In case of tie:

Mayor Bill Feather

- For
- Against

**Town of Granite Quarry
Granite Quarry, North Carolina
For the year ended
June 30, 2020**

**Independent Auditor's Reports
Basic Financial Statements
And
Information Accompanying the
Basic Financial Statements**

Board of Governance

Mayor **William Feather**

Mayor Pro-tem **John Linker**

Alderman **Doug Shelton**
Alderman **Jim Costantino**
Alderman **Kim Cress**

Administration

Town Manager **Larry Smith**
Town Clerk **Aubrey Smith**
Finance Officer **Shelly Shockley**

Town of Granite Quarry

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June 30, 2020

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EDDIE CARRICK, CPA, PC
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To Honorable Mayor
and Board of Aldermen
Town of Granite Quarry, North Carolina

I have audited the accompanying financial statements of the governmental activities and each major fund, and the aggregate remaining fund information of the Town of Granite Quarry, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, based on my audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund, and the aggregate remaining fund information of the Town of Granite Quarry, North Carolina, as of June 30, 2020, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12, the Law Enforcement Officers' Special Separation Allowance Schedule of Funding Progress and Schedule of Employer Contributions on page 41, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset (Liability) and Contributions, on page 42, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Granite Quarry, North Carolina's basic financial statements. The individual fund financial statements, budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Emphasis of Matter

As discussed in Note VI to the financial statements; in January 2020, the World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern." Given the uncertainty of the situation, the duration of any business disruption and related financial impact cannot be reasonably estimated at this time. My opinion is not modified with respect to this matter

Eddie Carrick CPA, PC

Handwritten signature of Eddie Carrick in black ink, appearing as 'E. Carrick, CPA'.

Lexington, North Carolina
November 3, 2020



Management's Discussion and Analysis

As management of the Town of Granite Quarry, we offer the readers of the Town of Granite Quarry's financial statements this narrative overview and analysis of the financial activities of the Town of Granite Quarry for the fiscal year ended June 30, 2020. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

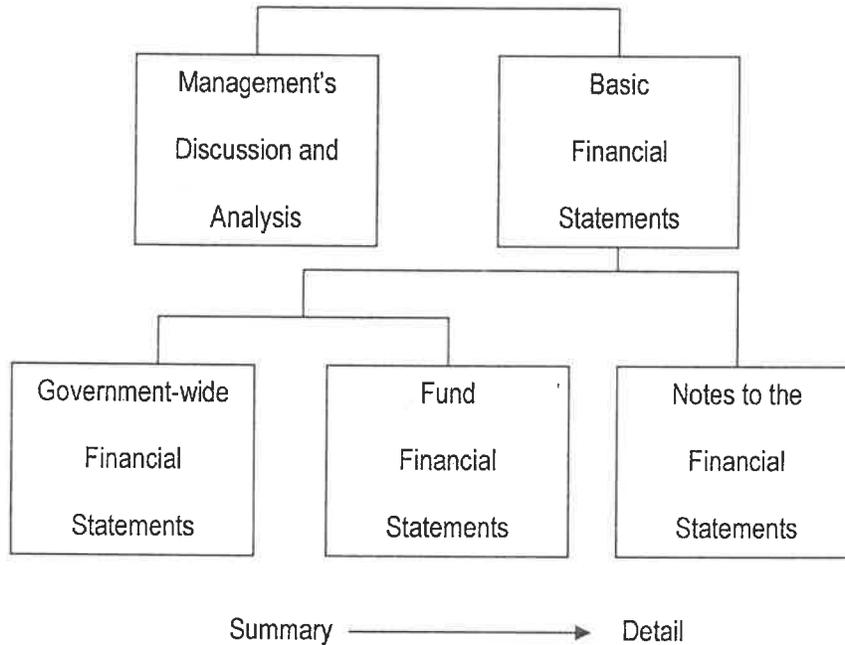
Financial highlights

- The assets and deferred outflows of resources of the Town of Granite Quarry exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$5,136,680 (*net position*).
- The government's total net position increased by \$185,928 primarily due to increases in revenues.
- As of the close of the current fiscal year, the Town of Granite Quarry's governmental funds reported combined ending fund balances of \$2,441,416, with a net increase of \$253,639 in fund balance. Approximately 34% of this total amount, or \$821,040, is restricted or assigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,620,374 or 71 percent of total general fund expenditures for the fiscal year.
- The Town of Granite Quarry's total debt increased by \$304,980 during the current fiscal year. The key factors in this increase was new installment debt of \$350,000, principal payments of \$50,000, a decrease in compensated absences of \$25,116, an increase in net pension liability (LGERS) of \$11,527, and increase in pension obligation (LEO) of \$18,569.

Overview of the Financial Statements

This discussion and analysis is intended to serve as introduction to the Town of Granite Quarry's basic financial statements. The Town'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 Town 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 the Town of Granite Quarry.

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

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

The next statements (Exhibit 3 through 5) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental fund statements; and 2) the budgetary comparison 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 Town's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town'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 Town's financial status as a whole.

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

The government-wide statements include one category: governmental activities. The governmental activities include most of the Town's basic services such as safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities.

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

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Granite Quarry, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as General Statutes or the Town's budget ordinance. All of the funds of the Town of Granite Quarry are included in one category: governmental 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 Town'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* which provides a short term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him determine if there are more or less financial resources available to finance the Town'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 part of the fund financial statements.

Management Discussion and Analysis
Town of Granite Quarry

The Town of Granite Quarry adopts an annual budget for the General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance the current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town 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 in 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 differences or variance between the final budget and 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.

Notes to the Financial Statements – The notes provide additional information that is essential to the full understanding of data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 19 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain supplemental information detailing the information provided in the basic financial statements and is presented to allow the reader to gain an in-depth understanding of the financial information presented.

Interdependence with Other Entities – The Town depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign government and other holders of publicly held U.S. Treasury Securities

Town of Granite Quarry's Net Position (Figure 2)

	<i>Governmental Activities</i>		<i>Total</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
Current and other assets	\$ 2,804,819	\$ 2,457,174	\$ 2,804,819	\$ 2,457,174
Noncurrent assets	3,357,140	3,063,429	3,357,140	3,063,429
Deferred outflow of resources	219,829	273,240	219,829	273,240
Total assets and deferred outflow of resources	<u>6,381,788</u>	<u>5,793,843</u>	<u>6,381,788</u>	<u>5,793,843</u>
Long-term liabilities	500,000	200,000	500,000	200,000
Other Liabilities	718,043	623,598	718,043	623,598
Deferred inflow of resources	27,066	19,495	27,066	19,495
Total liabilities	<u>1,245,109</u>	<u>843,093</u>	<u>1,245,109</u>	<u>843,093</u>
Net position:				
Net investment in capital assets	2,673,557	2,635,463	2,673,557	2,635,463
Restricted for:				
Stabilization by State Statute	344,512	346,194	344,512	346,194
Streets	104,543	52,377	104,543	52,377
Capital projects	23,928	-	23,928	-
Unrestricted	1,990,139	1,916,716	1,990,139	1,916,716
Total net position	<u>\$ 5,136,680</u>	<u>\$ 4,950,752</u>	<u>\$ 5,136,680</u>	<u>\$ 4,950,752</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the Town exceeded liabilities and deferred inflows of resources by \$5,136,680 as of June 30, 2020. The Town's net position increased by \$185,928 for the fiscal year ended June 30, 2020. However, the largest portion, \$2,673,557, or 52%, reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in capital assets is reported net of the outstanding debt, the resources needed to repay that debt must be provided by other sources, since capital assets cannot be used to liquidate these liabilities. An additional portion of the Town's net position \$472,983, or 9%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$1,990,139 or 39% is unrestricted.

Management Discussion and Analysis
Town of Granite Quarry

Several particular aspects of the Town's financial operations positively influenced the total unrestricted government net position:

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 98.5%, which is above to the statewide average
- Increased unrestricted revenues and Ad valorem tax collections
- Conservative spending by management in other areas.

Town of Granite Quarry's Changes in Net Position (Figure 3)

	<i>Governmental</i>		<i>Total</i>	
	<i>Activities</i>			
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
Revenues				
Program revenues:				
Charges for services	\$ 168,064	\$ 142,111	\$ 168,064	\$ 142,111
Operating grants and contrib.	184,855	140,434	184,855	140,434
Capital grants and contrib.	94,800	277,527	94,800	277,527
General revenues:				
Property taxes	1,036,315	870,071	1,036,315	870,071
Investment earnings	26,250	20,509	26,250	20,509
Grants and contrib. unrestricted to specific programs	936,746	900,839	936,746	900,839
Other	65,477	211,876	65,477	211,876
Total revenues	<u>2,512,507</u>	<u>2,563,367</u>	<u>2,512,507</u>	<u>2,563,367</u>
Expenses:				
General government	582,816	514,498	582,816	514,498
Public safety	1,153,451	1,158,934	1,153,451	1,158,934
Transportation	336,201	417,807	336,201	417,807
Environmental protection	191,226	167,148	191,226	167,148
Cultural and recreational	57,266	63,455	57,266	63,455
Interest on long-term debt	5,618	7,007	5,618	7,007
Total expenses	<u>2,326,578</u>	<u>2,328,849</u>	<u>2,326,578</u>	<u>2,328,849</u>
Increase (decrease) in net position	185,928	234,517	185,928	234,517
Net position, July 1	<u>4,950,752</u>	<u>4,716,235</u>	<u>4,950,752</u>	<u>4,716,235</u>
Net position, June 30	<u>\$ 5,136,680</u>	<u>\$ 4,950,752</u>	<u>\$ 5,136,680</u>	<u>\$ 4,950,752</u>

Governmental Activities. Governmental activities increased the Town's net position by \$185,928, thereby accounting for 100% of the total increase in net position of the Town. The increase in net position was the result of a concerted effort to control costs and manage expenditures. Town management reduced non-essential programs to a minimum and implemented cost saving strategies across Town departments. Certain nonrecurring expenses were either postponed or renegotiated in an attempt to maintain a healthy net position. Management believes healthy investment in the Town will result in additional revenues, and in that vein added to the Town's net position by investing in capital assets. Increased efforts to maximize tax collections also contributed to the favorable net position. Tax revenue did not appreciably decline in the current year. Town management acknowledges that 2020 was a successful year and plans on improving upon these approaches as a long-term strategy to realize continued fiscal health.

Financial Analysis of the Town's Funds

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

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

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, the Town of Granite Quarry's fund balance available in the General Fund was \$1,620,374, while total fund balance reached \$2,069,431. The Town currently has an available fund balance of 71% of general fund expenditures, while total fund balance represents 91% of the same amount.

At June 30, 2020, the governmental funds of the Town reported a combined fund balance of \$2,441,416 with a net increase in fund balance of \$253,639. Included in this change in fund balance are decreases in fund balance in the General Fund and increases in the Streets Capital Project Fund as well as an increase in the Industrial Development Capital Project Fund.

General Fund Budgetary Highlights: During the fiscal year, the Town made several revisions to the budget. 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.

There were several reasons the Town revised its budget throughout the year. Although expenditures were compliant with budgetary requirements, the Town did amend the budget in the General Fund in General Government to account for unexpected capital outlay expenditures.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental activities as of June 30, 2020, totals \$3,173,557 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year included the following additions and (disposals):

- Capital projects construction in progress \$351,451
- Land \$89,618
- Vehicles \$126,871

Town of Granite Quarry's Capital Assets (net of depreciation) (Figure 4)

	<i>Governmental</i>			
	<i>Activities</i>		<i>Total</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
Land and CIP	\$ 1,260,007	\$ 818,939	\$ 1,260,007	\$ 818,939
Buildings and systems	202,189	211,058	202,189	211,058
Machinery / equipment	269,990	309,032	269,990	309,032
Infrastructure	929,461	1,029,499	929,461	1,029,499
Vehicles / motorized equip.	511,910	466,935	511,910	466,935
	<u>\$ 3,173,557</u>	<u>\$ 2,835,463</u>	<u>\$ 3,173,557</u>	<u>\$ 2,835,463</u>

Additional information on the Town's capital assets can be found in the Note III.A.5 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2020 the Town of Granite Quarry had total debt outstanding of \$943,035. Of this, \$943,035 is debt backed by the full faith and credit of the Town.

Town of Granite Quarry's Outstanding Debt (Figure 5)

	<i>Governmental</i>			
	<i>Activities</i>		<i>Total</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
Compensated absences	\$ 27,006	\$ 52,122	\$ 27,006	\$ 52,122
Net pension liability(LGERS)	329,895	318,368	329,895	318,368
Pension obligation (LEO)	86,134	67,565	86,134	67,565
Notes payable	500,000	200,000	500,000	200,000
	<u>\$ 943,035</u>	<u>\$ 638,055</u>	<u>\$ 943,035</u>	<u>\$ 638,055</u>

Town of Granite Quarry's Outstanding Debt

The Town of Granite Quarry's total debt increased by \$304,980 during the current fiscal year. The key factors in this increase was new installment debt of \$350,000, principal payments of \$50,000, a decrease in compensated absences of \$25,116, an increase in net pension liability (LGERS) of \$11,527, and increase in pension obligation (LEO) of \$18,569.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of property located within that government's boundaries. The legal debt margin for the Town is \$19,875,008.

Additional information regarding the Town's long-term debt can be found in the Note III.B.4 of this report.

Economic Factors and Next Year's Budgets and Rates

The following key indicators reflect the growth and prosperity of the Town.

Despite the Coronavirus pandemic's affects both nationwide and locally, development interest within the town has continued to be very strong and is exceeding initial predictions.

The first building in the Granite Industrial Park has added \$9,244,963 to the Town's tax base, resulting in \$38,598 additional ad valorem tax revenue. The Town is in process of completing a sewer extension project under a state grant that will facilitate the next phase of development in the Park.

Net commercial and retail retention has remained healthy and exceeded many of our peer group municipalities. "Cagney's", a chain restaurant that opened early on in the pandemic, reports that they underestimated the market demand and local support at this Granite Quarry location even at their pre-pandemic analysis predictions. The Town has completed upgrade improvements (Phase 1) to its municipal building renovation as further impetus for revitalization efforts. The State Employees Credit Union incurred construction delays but is on track for completion mid fiscal year.

Budget Highlights for the Fiscal Year Ending June 30, 2021

Governmental Activities:

The FY2020-2021 budget consequently reflects moderate growth in the local economy despite "worst case scenario" projections, including state-shared revenue distribution forecasts. Several priority goals remain in the budget, but within a Governing Body Contingencies line item to restrict those goals to approval by the Town Board as economic realities develop during the fiscal year (i.e., if revenue trends indeed match or exceed the projections upon which the adopted budget was based).

Management Discussion and Analysis
 Town of Granite Quarry

The Town maintained a .4175 tax rate for the FY2020-2021 budget. Out of the 11 units of local government in Rowan County, this comfortably retains Granite Quarry as the third lowest tax rate within the county by a 4.25-cent margin under the fourth lowest and surprisingly only 0.0075 higher than the second lowest.

<u>Unit of Government</u>	<u>Tax Rate</u>
Salisbury	0.7196
Rowan County	0.6575
East Spencer	0.66
Spencer	0.655
Kannapolis	0.63
China Grove	0.54
Landis	0.53
Rockwell	0.46
Granite Quarry	0.4175
Faith	0.41
Cleveland	0.3736 (0.28 city + 0.0936 community fire dept. rate)

That status remains an excellent marketing, recruiting, and retention tool for development, business, and residents. It is also a notable feat since Granite Quarry provides comparable levels of service as some of the higher-rate municipalities. Several factors are challenging the town's status quo rate, such as existing town parks and facilities' major repair & improvement needs, and growth demand on planning / code enforcement services. Major organizational and efficiency measures taken over the past year, a strong focus on professional staff training and retention, adherence to existing downtown and comprehensive plans (especially with focus on continued commercial and industrial growth), and recommended development of a Parks & Recreation Master Plan to open up matching fund opportunities are all proven strategies to continue meeting goal and service needs while maintaining a competitive tax rate.

Management believes that increased revenues and continued restrictions on spending will maintain the Town's financial position. As the Town considers future revenue sources, it has determined that a \$0.01 increase in the property tax rate will result in additional revenues of approximately \$24,469 at current values and collection rate. Though management believes current growth will generate enough revenue to support Town operations, a careful analysis of property tax revenue will be considered in future years' budgets.

Requests for Information This report is designed to provide an overview of the Town'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 Town Clerk, Town of Granite Quarry, P.O. Box 351, Granite Quarry, NC 28072.

Town of Granite Quarry, North Carolina
Statement of Net Position
June 30, 2020

	Governmental Activities	Total
ASSETS		
Current assets:		
Cash and cash equivalents - unrestricted	\$ 2,218,175	\$ 2,218,175
Receivables, net:		
Taxes	38,398	38,398
Accounts receivable - county	11,533	11,533
Sales and use taxes	87,870	87,870
Accounts	23,155	23,155
Accounts - Salisbury current portion	50,000	50,000
Due from other governments	241,995	241,995
Restricted cash and cash equivalents	133,695	133,695
Total current assets	2,804,819	2,804,819
Noncurrent assets:		
Accounts - Salisbury noncurrent portion	183,583	183,583
Capital Assets:		
Land, non-depreciable improvements	1,260,007	1,260,007
Other capital assets, net of depreciation	1,913,550	1,913,550
Total capital assets	3,173,557	3,173,557
Total noncurrent assets	3,357,140	3,357,140
Total assets	6,161,959	6,161,959
DEFERRED OUTFLOWS OF RESOURCES		
LGERS pension deferrals	196,663	196,663
LEO deferrals	23,166	23,166
Total deferred outflows of resources	219,829	219,829
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	275,008	275,008
Current portion of long-term liabilities	100,000	100,000
Long-term liabilities:		
LGERS pension liability	329,895	329,895
LEO separation allowance	86,134	86,134
Compensated absences	27,006	27,006
Due in more than one year	400,000	400,000
Total liabilities	1,218,043	1,218,043
DEFERRED INFLOWS OF RESOURCES		
LGERS pension deferrals	19,984	19,984
LEO deferrals	7,082	7,082
Total deferred inflows of resources	27,066	27,066
NET POSITION		
Net investment in capital assets	2,673,557	2,673,557
Restricted for:		
Stabilization by State Statute	344,512	344,512
Streets	104,543	104,543
Capital projects	23,928	23,928
Unrestricted	1,990,139	1,990,139
Total net position	\$ 5,136,680	\$ 5,136,680

Notes to financial statements are an integral part of this statement

EXHIBIT 2

Town of Granite Quarry, North Carolina
Statement of Activities
For the Year Ended June 30, 2020

**Net (Expense) Revenue and Changes in
Net Position**

Function / Programs	Program Revenues			Governmental Activities	Total
	Expenses	Charges for Services	Operating Grants and Contributions		
Primary government:					
Governmental Activities:					
General government	\$ 582,816	\$ -	\$ 38,855	\$ (543,961)	\$ (543,961)
Public Safety	1,153,451	-	146,000	(995,792)	(995,792)
Transportation	336,201	-	-	(253,060)	(253,060)
Environmental protection	191,226	168,064	-	(23,162)	(23,162)
Culture and recreation	57,266	-	-	(57,266)	(57,266)
Interest on long-term debt	5,618	-	-	(5,618)	(5,618)
Total governmental activities (see Note 1)	\$ 2,326,578	\$ 168,064	\$ 184,855	(1,878,859)	(1,878,859)
General revenues:					
Taxes:					
Property taxes levied for general purposes				1,036,315	1,036,315
Grants and contributions not restricted to specific programs				936,746	936,746
Unrestricted investment earnings				26,250	26,250
Gain on disposal of assets				-	-
Miscellaneous				65,477	65,477
Total general revenues and transfers				2,064,787	2,064,787
Change in net position				185,928	185,928
Net position-beginning				4,950,752	4,950,752
Net position-ending				\$ 5,136,680	\$ 5,136,680

Notes to financial statements are an integral part of this statement

Town of Granite Quarry, North Carolina
Balance Sheet
Governmental Funds
June 30, 2020

	Major Funds			Total Non-Major Funds	Total Governmental Fund
	General Fund	Town Hall Capital Project	Streets Capital Project		
Assets					
Cash and cash equivalents - unrestricted	\$ 1,704,485	\$ 165,634	\$ 348,057	\$ -	\$ 2,218,175
Cash and cash equivalents - restricted	104,543	-	-	29,152	133,695
Receivables, net:					
Taxes Ad Valorem	38,398	-	-	-	38,398
Accounts receivable - county	11,533	-	-	-	11,533
Sales and use taxes	87,870	-	-	-	87,870
Accounts	420	-	-	22,735	23,155
Due (to) from other funds	2,695	-	-	(2,695)	-
Due from other governments	241,995	-	-	-	241,995
Total assets	<u>\$ 2,191,937</u>	<u>\$ 165,634</u>	<u>\$ 348,057</u>	<u>\$ 49,191</u>	<u>\$ 2,754,819</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable and accrued liabilities	\$ 84,111	\$ 165,634	\$ -	\$ 25,263	\$ 275,008
Total liabilities	<u>84,111</u>	<u>165,634</u>	<u>-</u>	<u>25,263</u>	<u>275,008</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes receivable	38,398	-	-	-	38,398
Total deferred inflows of resources	<u>38,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,398</u>
Fund balance:					
Restricted:					
Stabilization by State Statute	344,512	-	-	-	344,512
Streets	104,543	-	-	-	104,543
Capital projects	-	-	-	23,928	23,928
Assigned for capital projects	-	-	348,057	-	348,057
Unassigned	1,620,374	-	-	-	1,620,374
Total fund balance	<u>2,069,431</u>	<u>-</u>	<u>348,057</u>	<u>23,928</u>	<u>2,441,416</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 2,191,937</u>	<u>\$ 165,634</u>	<u>\$ 348,057</u>	<u>\$ 49,191</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Gross capital assets at historical cost	\$ 5,879,001
Accumulated depreciation	(2,705,444)
Long-term accounts receivable - Salisbury	233,583
Deferred outflows of resources related to LGERS pensions are not reported in the funds	196,663
Deferred outflows of resources related to LEO are not reported in the funds	23,166
Liabilities for earned revenues considered deferred inflows of resources in fund statements	38,398
Deferred inflows of resources related to LGERS pensions are not reported in the funds	(19,984)
Deferred inflows of resources related to LEO are not reported in the funds	(7,082)
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.	
LGERS pension liability	(329,895)
LEO separation allowance	(86,134)
Long-term debt	(500,000)
Accrued vacation	(27,006)
Net position of governmental activities	<u>\$ 5,136,680</u>

Notes to financial statements are an integral part of this statement

Town of Granite Quarry, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2020

	Major Funds			Total Non-Major Funds	Total Governmental Fund
	General Fund	Town Hall Capital Project	Streets Capital Project		
Revenues:					
Ad valorem taxes	\$ 1,031,774	\$ -	\$ -	\$ -	\$ 1,031,774
Other taxes and licenses	5,750	-	-	-	5,750
Unrestricted intergovernmental revenues	936,746	-	-	-	936,746
Restricted intergovernmental revenues	290,800	-	-	38,855	329,655
Sales and services	168,064	-	-	-	168,064
Investment earnings	20,632	-	-	-	20,632
Other general revenues	59,727	-	-	-	59,727
Total revenues	<u>2,513,493</u>	<u>-</u>	<u>-</u>	<u>38,855</u>	<u>2,552,348</u>
Expenditures:					
Current:					
General government	573,018	301,798	-	49,652	924,468
Public Safety	1,125,346	-	-	-	1,125,346
Transportation	315,892	-	1,943	-	317,835
Environmental protection	191,226	-	-	-	191,226
Culture and recreation	34,215	-	-	-	34,215
Debt service:					
Principal retirement	50,000	-	-	-	50,000
Interest and other charges	5,618	-	-	-	5,618
Total expenditures	<u>2,295,315</u>	<u>301,798</u>	<u>1,943</u>	<u>49,652</u>	<u>2,648,709</u>
Revenues over expenditures	<u>218,178</u>	<u>(301,798)</u>	<u>(1,943)</u>	<u>(10,797)</u>	<u>(96,361)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers to capital projects	(336,523)	301,798	-	34,725	-
Proceeds from long-term debt	-	-	350,000	-	350,000
Fund balance appropriated	-	-	-	-	-
Total other financing sources (uses)	<u>(336,523)</u>	<u>301,798</u>	<u>350,000</u>	<u>34,725</u>	<u>350,000</u>
Net change in fund balance	<u>(118,345)</u>	<u>-</u>	<u>348,057</u>	<u>23,928</u>	<u>253,639</u>
Fund balance - beginning of year	<u>2,187,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,187,777</u>
Fund balance - end of year	<u>\$ 2,069,431</u>	<u>\$ -</u>	<u>\$ 348,057</u>	<u>\$ 23,928</u>	<u>\$ 2,441,416</u>

Notes to financial statements are an integral part of this statement

Town of Granite Quarry, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2020

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

Net changes in fund balances - total governmental funds	\$	253,639
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		
Capital outlay	\$	216,489
Construction in progress		351,450
Depreciation		<u>(229,846)</u>
		338,093
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unavailable revenue for tax revenues		4,541
Change in accounts receivable - Salisbury:		
Payments received	(50,000)	
Interest added	<u>5,618</u>	(44,382)
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. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
New long-term debt issue		(350,000)
Payment on long-term debt		50,000
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.		
Changes in compensated absences		25,116
Change in pension expense:		
Changes in net pension assets	-	
Changes in deferred outflows	(53,564)	
Changes in net pension liability	(11,527)	
Changes in deferred inflows	<u>(8,112)</u>	(73,203)
Change in LEO separation allowance expense:		
Changes in net pension assets	-	
Changes in deferred outflows	153	
Changes in net pension liability	(18,569)	
Changes in deferred inflows	<u>541</u>	(17,875)
Total changes in net position of governmental activities	\$	<u><u>185,928</u></u>

Notes to financial statements are an integral part of this statement

Town of Granite Quarry, North Carolina
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Ad valorem taxes	\$ 994,268	\$ 994,268	\$ 1,031,774	\$ 37,506
Other taxes and licenses	2,900	2,900	5,750	2,850
Unrestricted intergovernmental	918,677	918,677	936,746	18,069
Restricted intergovernmental	1,003,593	1,003,593	290,800	(712,793)
Sales and services	144,000	144,000	168,064	24,064
Investment earnings	11,500	11,500	20,632	9,132
Other general revenues	37,942	44,816	59,727	14,911
Total revenues	<u>3,112,880</u>	<u>3,119,754</u>	<u>2,513,493</u>	<u>(606,261)</u>
Expenditures:				
Current:				
General government	955,681	1,043,403	573,018	470,385
Public Safety	1,226,099	1,249,877	1,125,346	124,531
Transportation	652,813	687,701	315,892	371,809
Environmental protection	185,120	195,120	191,226	3,894
Culture and recreation	39,000	39,000	34,215	4,785
Debt service:				
Principal retirement	50,000	50,000	50,000	-
Interest and other charges	4,167	6,167	5,618	549
Total expenditures	<u>3,112,880</u>	<u>3,271,268</u>	<u>2,295,315</u>	<u>975,953</u>
Revenues over (under) expenditures	<u>-</u>	<u>(151,514)</u>	<u>218,178</u>	<u>369,692</u>
Other financing sources (uses):				
Operating transfers to capital projects	-	(403,803)	(336,523)	67,280
Proceeds from long-term debt	-	-	-	-
Appropriated Fund Balance	-	555,317	-	(555,317)
Total other financing sources (uses)	<u>-</u>	<u>151,514</u>	<u>(336,523)</u>	<u>(488,037)</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(118,345)</u>	<u>\$ (118,345)</u>
Fund balance, beginning of year			<u>2,187,777</u>	
Fund balance, end of year			<u>\$ 2,069,431</u>	

Notes to financial statements are an integral part of this statement

Town of Granite Quarry, North Carolina

NOTES TO FINANCIAL STATEMENTS As of or for the Year Ended June 30, 2020

Description of the Unit

The Town of Granite Quarry is located in Rowan County, which is in the Piedmont area of North Carolina. The Town has a population of approximately 3,120.

I. Summary of Significant Accounting Policies

The accounting policies of the Town of Granite Quarry 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 Town of Granite Quarry is a municipal corporation governed by an elected mayor and a four member Board of Aldermen. As required by generally accepted accounting principles, these financial statements present the Town, a single entity with no other legally separate entities for which the Town is financially accountable.

B. Basis of presentation

Government-wide Statements: The statement of net position and the statement of activities display the information about the primary government. These statements include the activities of the overall government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town'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 and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational and 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 Town's fund. A separate statement for each fund category – governmental – is presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. The Town of Granite Quarry, North Carolina, only has one fund, the general fund, and is presented as a major fund.

The Town reports the following major governmental fund:

General Fund

The General Fund is the general operating fund of the Town. It is used to account for all financial resources. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, and sanitation services.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

C. Measurement Focus and Basis of Accounting

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

Government-wide Financial Statements: The government-wide is reported using the economic resources measurement focus. The government-wide financial statement is reported using the accrual basis of accounting. Revenues are recorded when earned and expenses recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, includes property taxes, grants, 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 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.

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 financial sources.

The Town considers all revenue available if they are collected within 90 days after year end, except for property taxes. Ad valorem taxes receivable 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. Also, 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 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 beer and wine tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered shared revenue for the Town of Granite Quarry because the tax is levied by Rowan County and then remitted to and distributed by the State. Most 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

C. Measurement Focus and Basis of Accounting (continued)

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

D. Budgetary data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund. All annual appropriations lapse at the fiscal-year end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$1,000. All amendments 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 Outflows/Inflows of Resources, and Fund Equity:

1. Deposits and Investments

All deposits of the Town are made in board-designated official depositories and are secured as required by State law (G.S. 159-31). The Town may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town 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 Town 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 Town's investments are reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT- Term Portfolio is bond fund, has no rating and is measured at fair value. As of June 30, 2020, The Term portfolio has duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The Town does not have a formal investment or credit risk policy.

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursements and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. Restricted Assets

Powell Bill funds are classified as restricted cash because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4. Capital project funds are classified as restricted cash because it can be expended only for the purposes issued.

Town of Granite Quarry Restricted Cash

Governmental Activities			
General Fund	Streets		\$104,543
	Capital project		29,152
Total Restricted Cash			\$133,695

4. Ad Valorem Taxes Receivable

In accordance with State law (G.S. 105-347 and G.S. 159-13(a)), the Town levies ad valorem taxes on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2019. As allowed by State law, the Town has established a schedule of discounts that apply to taxes, which are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Prepaid Items

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

6. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life of more than two years. Minimum capitalization costs are for purchases or construction in excess of \$5,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Infrastructure	30 years
Buildings	40
Improvements	20
Vehicles	10-20
Furniture and equipment	5-10
Computer equipment	5

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. *Deferred Outflows / Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meet this criterion, contributions made to the pension plan in the 2020 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has two items that meet the criterion for this category – property taxes receivable, and deferrals of pension expense that result from the implementation of GASB Statement 68.

8. *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position.

9. *Compensated Absences*

The compensated absences policy of the Town provides for the accumulation of up to 40 hours earned accrued compensated leave. For the Town's government-wide fund, an expense and a liability for compensated absences and the salary-related payments is recorded. Since the accrued compensated leave time may be carried over into the following year, the liability has been designed as a current and a noncurrent liability in the government-wide financial statements.

10. *Net position / Fund Balances*

Net position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. Net position / Fund Balances (continued)

Restricted Fund Balance – This classification includes amounts 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 non-spendable. 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 Streets - Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Restricted for Capital Project - Portion of fund balance that is restricted by revenue source for capital project construction expenditures.

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance – portion of fund balance that the Town of Granite Quarry intends to use for specific purposes.

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. The governing body approves the appropriation; however the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$1,000.

Unassigned fund balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The Town of Granite Quarry 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-town funds, town 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 Town.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town's employer contributions are recognized when due and the Town has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

II. Stewardship, Compliance, and Accountability:

A. Material Violations of Finance-Related Legal and Contractual Provisions:

1. *Noncompliance with North Carolina General Statutes:* None
2. *Contractual Violations:* None

B. Deficit Fund Balance or Retained Earnings of Individual Funds: None

C. Excess of Expenditures over Appropriations: None

III. Detail Notes on All Funds and Account Groups:

A. Assets:

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agents in the Town's name. The amount of the pledged collateral is based on an approval 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 Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists to undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no policy regarding custodial credit risk for deposits but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designation official depositories and verifying that deposits are properly secured.

At June 30, 2020, the Town's deposits had a carrying amount of \$2,013,933 and a bank balance of \$2,026,833 which \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2020, the Town's petty cash fund totaled \$150.

2. Investments

At June 30, 2020, the Town had \$337,787 invested with the North Carolina Capital Management Trust Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Town has no policy regarding credit risk.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. Accounts Receivable - SRU

In 2016, the Town entered into an agreement with the City of Salisbury to extend a water line to a recently annexed area in Granite Quarry. The City of Salisbury owns and maintains all the water and sewer lines in the Town. The Town of Granite Quarry advanced \$452,959 to the City of Salisbury to do the project currently. The \$452,959, plus loan interest, will be repaid by the City of Salisbury to the Town \$50,000 per year starting June 2017 and annually thereafter until the advancement is repaid. During 2020, the City of Salisbury paid the Town \$50,000. This payment plus the accrued interest amount of \$5,618 results thus leaving a receivable of \$233,583.

4. Due from Other Governments

There are currently no outstanding amounts due from other governments other than normal state and county distributions.

5. Capital assets

Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2020:

	Beginning Balances	Increases	(Decreases)	Ending Balances
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 818,937	\$ 89,618	\$ -	\$ 908,555
Construction in progress - Town Hall	-	301,798	-	301,798
Construction in progress - Granite Lake	-	22,735	-	22,735
Construction in progress - Industrial Development	-	26,918	-	26,918
Total capital assets not being depreciated:	<u>818,937</u>	<u>441,069</u>	<u>-</u>	<u>1,260,007</u>
Capital assets being depreciated:				
Buildings	574,362	-	-	574,362
Equipment	866,014	-	-	866,014
Vehicles and motorized equipment	1,393,268	126,871	(83,775)	1,436,364
Infrastructure	1,742,256	-	-	1,742,256
Total capital assets being depreciated:	<u>4,575,900</u>	<u>126,871</u>	<u>(83,775)</u>	<u>4,618,996</u>
Less, accumulated depreciation for:				
Buildings	363,301	8,870	-	372,171
Equipment	556,982	39,042	-	596,024
Vehicles and motorized equipment	926,334	81,896	(83,775)	924,455
Infrastructure	712,757	100,039	-	812,796
Total accumulated depreciation	<u>2,559,374</u>	<u>229,846</u>	<u>(83,775)</u>	<u>2,705,446</u>
Total capital assets being depreciated, net	<u>2,016,526</u>			<u>1,913,550</u>
Governmental activity capital assets, net	<u>\$ 2,835,463</u>			<u>\$ 3,173,557</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Capital assets (continued)

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

General government	\$ 74,556
Public safety	99,827
Transportation	32,411
Cultural and recreational	<u>23,051</u>
	<u>\$229,846</u>

Construction commitments

The government has active construction projects as of June 30, 2020. At year-end, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Town Hall	\$ 301,798	\$ 102,005
Streets	1,943	388,807
Granite Lake	22,735	675,080
Industrial Development	26,918	250,882
Total	<u>\$ 353,394</u>	<u>\$ 1,416,774</u>

B. Liabilities:

1. Pension Plan Obligations:

a. Local Governmental Employees' Retirement System

Plan Description. The Town of Granite Quarry is a participating employer in the statewide Local Governmental Employee's 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. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of GS Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplemental information for LGERS. The report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, NC 27699-1410, by calling 919-981-5454, or at www.osc.nc.gov.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

a. Local Governmental Employees' Retirement System (continued)

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.

Benefits Provided (Continued). LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town's contractually required contribution rate for the year ended June 30, 2020, was 9.70% of compensation for law enforcement officers and 8.95% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town were \$67,926 for the year ended June 30, 2020.

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

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

At June 30, 2020, the Town reported a liability of \$329,895 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll

NOTES TO THE FINANCIAL STATEMENTS (Continued)

a. Local Governmental Employees' Retirement System (continued)

covered by the pension plan of all participating LGERS employers actuarially determined. At June 30, 2020, the Town's proportion was 0.01208% (measured as of June 30, 2019), which was a decrease of 0.00134% from its proportion as of June 30, 2019 (measured as of June 30, 2018).

For the year ended June 30, 2020, the Town recognized pension expense of \$141,129. At June 30, 2020, the Town 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	\$ 56,486	\$ -
Changes of assumptions	53,767	-
Net difference between projected and actual earnings on pension plan investments	8,047	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	10,437	19,984
Town contributions subsequent to the measurement date	67,926	-
Total	\$ 196,663	\$ 19,984

\$67,663 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$ 54,820
2022	18,006
2023	30,805
2024	5,123
2025	-
Thereafter	-
	\$ 108,754

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

NOTES TO THE FINANCIAL STATEMENTS (Continued)

a. Local Governmental Employees' Retirement System (continued)

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, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. 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, 2019 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%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

a. Local Governmental Employees' Retirement System (continued)

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the net pension liability (asset)	\$ 754,531	\$ 329,895	\$ (23,063)

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

b. Law Enforcement Officers Special Allowance

1. Plan Description. The Town administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the Town'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 0.85 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, 2019, the Separation Allowance's membership consisted of:

Retirees receiving benefits	0
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	8
Total	8

NOTES TO THE FINANCIAL STATEMENTS (Continued)

b. Law Enforcement Officers Special Allowance (continued)

2. Summary of Significant Accounting Policies. Basis of Accounting. The Town 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 criteria which are outlined in GASB Statement 73.

3. Actuarial Assumptions. The entry age actuarial cost method was used in the December 31, 2018 valuation. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.26 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2018.

Mortality rates are based on the RP-2000 Mortality tables with adjustments for mortality improvements based on Scale AA.

3. Contributions. The Town 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 made by employees. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The Town paid \$ 0 as benefits came due for the reporting period

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

At June 30, 2020, the Town reported a total pension liability of \$86,134. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the Town recognized pension expense of \$17,875.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 13,563	\$ 934
Changes of assumptions	9,603	6,148
County benefit payments and plan administrative expense made subsequent to the measurement date	-	-
Total	<u>\$ 23,166</u>	<u>\$ 7,082</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

b. Law Enforcement Officers Special Allowance (continued)

\$ 0 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$	1,648
2022		1,648
2023		1,648
2024		1,268
2025		801
Thereafter		69

\$ 0 paid as benefits came due and \$ 0 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

Sensitivity of the Town's total pension liability to changes in the discount rate. The following presents the Town's total pension liability calculated using the discount rate of 3.26 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	<u>1% Decrease (2.26%)</u>	<u>Discount Rate (3.26%)</u>	<u>1% Increase (4.26%)</u>
Total pension liability	\$ 92,762	\$ 86,134	\$ 79,930

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

	<u>2020</u>
Beginning balance	\$ 67,565
Service Cost	8,010
Interest on the total pension liability	6,306
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(1,107)
Changes of assumptions or other inputs	5,360
Benefit payments	-
Other changes	-
Ending balance of the total pension liability	<u>\$ 86,134</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

b. Law Enforcement Officers Special Allowance (continued)

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

Following is information related to the proportionate share and pension expense for all pension plans:

	LGERS	LEOSSA	Total
Pension Expense	\$ 141,129	\$ 17,875	\$ 159,004
Pension Liability	329,895	86,134	416,029
Proportionate share of the net pension liability	0.01208%	n/a	
 Deferred of Outflows of Resources			
Differences between expected and actual experience	56,486	13,563	70,049
Changes of assumptions	53,767	9,603	63,370
Net difference between projected and actual earnings on plan investments	8,047	-	8,047
Changes in proportion and differences between contributions and proportionate share of contributions	10,437	-	10,437
Benefit payments and administrative costs paid subsequent to the measurement date	67,926	-	67,926
 Deferred of Inflows of Resources			
Differences between expected and actual experience	-	934	934
Changes of assumptions	-	6,148	6,148
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	19,984	-	19,984

c. Supplemental Retirement Income Plan for Law Enforcement Officers and Other Employees

Plan Description. The Town 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 and others employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

c. Supplemental Retirement Income Plan for Law Enforcement Officers and Other Employees (continued)

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town 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.

The Town also contributes each month an amount equal to five percent of each other employee's salary, and all amounts contributed are vested immediately. Also, the other employees may make voluntary contributions to the plan. The Town made contributions of \$36,185 for the reporting year. No amounts were forfeited.

d. Other Employment Benefits

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The Town 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 payrolls based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

2. Deferred Outflows and Inflows of Resources

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

Source	Amount
Differences between expected and actual experience	\$ 70,049
Changes in assumptions	63,370
Net difference between projected and actual earnings on pension plan investments	8,047
Changes in proportion and differences between employer contributions and proportionate share of contributions	10,437
Town contribution subsequent to the measurement date	67,926
Total	\$ 219,829

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. Deferred Outflows and Inflows of Resources (continued)

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

	Statement of Net Position	General Fund Balance Sheet
Taxes Receivable, less penalties (General Fund)	\$ -	\$ 38,398
Changes in assumptions	6,148	-
Differences between expected and actual experience	934	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	19,984	-
Total	\$ 27,066	\$ 38,398

3. Risk Management

The Town is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$2 million per occurrence, property coverage up to the total insurance values of the property policy, worker's compensation coverage up to the statutory limits, and employee health claims in excess of \$150,000. The property liability pool has an aggregate limit for the total property losses in a single year, with the reinsurance limit based upon a percentage of the total insurance values.

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

The Town carries no flood insurance for the year because the Town of Granite Quarry is not considered to be in a flood area, therefore the cost of this type insurance would outweigh the benefit.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance officer is bonded for \$50,000. The Town does not have a bond on the tax collector in that they have outsourced tax collection to Rowan County. The remaining employees that have access to funds are bonded under a blanket bond for \$50,000.

4. Long-term Obligations:

a. Installment Purchase

In June 2016, the Town entered into an installment purchase contract with F&M Bank to finance a waterline extension for the amount of \$350,000. The financing contract requires 83 monthly consecutive interest payments beginning June 30, 2016, with interest calculated on the unpaid principal balances using an interest rate of 2.740% per annum: 6 annual consecutive principal and interest payments of \$50,000 each beginning June 30, 2016 and one principal and interest payment of \$51,272 on May 30, 2023.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

a. Installment Purchase (continued)

The future minimum payments of the installment contract as of June 30, 2020, based on the \$350,000 balance as of that date and scheduled annual payments of principal and interest which include \$8,217 of interest, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 50,000	\$ 4,167	\$ 54,167
2022	50,000	2,778	52,778
2022	50,000	1,272	51,272
	<u>\$ 150,000</u>	<u>\$ 8,217</u>	<u>\$ 158,217</u>

In June 2020, the Town entered into an installment purchase contract with F&M Bank to finance street repairs for the amount of \$350,000. The financing contract requires 14 semi-annual consecutive principal and interest payments beginning December 5, 2020, with interest calculated on the unpaid principal balances using an interest rate of 2.990% per annum. The installment purchase is collateralized by the full faith, credit, and taxing power of the Town.

The future minimum payments of the installment contract as of June 30, 2020, based on the \$350,000 balance as of that date and scheduled annual payments of principal and interest which include \$39,811 of interest, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 50,000	\$ 10,232	\$ 60,232
2022	50,000	8,717	58,717
2023	50,000	7,201	57,201
2024	50,000	5,700	55,700
2025	50,000	4,169	54,169
Thereafter	100,000	3,792	103,792
	<u>\$ 350,000</u>	<u>\$ 39,811</u>	<u>\$ 389,811</u>

At June 30, 2020, the Town had a legal debt margin of \$19,875,008.

b. Changes in Long-term Liabilities

	<u>Balance</u>			<u>Balance</u>	<u>Current Portion</u>
	<u>June 30, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2020</u>	<u>of Balance</u>
Governmental activities:					
Compensated Absences	\$ 52,122	\$ -	\$ 25,116	\$ 27,006	\$ -
Net pension liability (LGERS)	318,368	11,527	-	329,895	-
Pension obligation (LEO)	67,565	18,569	-	86,134	-
Notes payable	200,000	350,000	50,000	500,000	100,000
Governmental activities long-term liabilities	<u>\$ 638,055</u>	<u>\$ 380,096</u>	<u>\$ 75,116</u>	<u>\$ 943,035</u>	<u>\$ 100,000</u>

Compensated absences for governmental activities have typically been liquidated in the General Fund.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2020, consist of the following:

To	General Fund	\$ 2,695
From	Granite Lake Capital Project	2,695

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers to/from other funds at June 30, 2020, consist of the following:

From the General Fund to the General Capital Projects Fund - Town Hall to fund the project \$ 301,798

From the General Fund to the General Capital Projects Fund - Industrial Development to fund the project 34,725

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided matching funds for various grant programs.

During the 2020 fiscal year, the Town made a one-time transfer from the General Fund of \$301,798 to the Town Hall Capital Project Fund as per the budget ordinance and of \$34,725 to the Industrial Development Capital Projects Fund as per the budget ordinance.

D. On-Behalf of Payments for Fringe Benefits and Salaries

The Town has recognized as revenue and an expenditure, on-behalf payments for fringe benefits and salaries of \$11,659 for the salary supplement and stipend benefits paid to eligible firemen by the local board of trustees of the Firemen's Relief Fund during the fiscal year ended June 30, 2020. Under State law the local board of trustees for the Fund receives an amount each year, which the board may use at its own discretion for eligible firemen or their departments.

E. Net Investment in Capital Assets

	Governmental
Capital Assets	\$ 3,173,557
less: long-term debt	500,000
add: unexpended debt proceeds	-
Net investment in capital assets	<u>\$ 2,673,557</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

F. Fund Balance

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

<u>Total fund balance - General Fund</u>	\$ 2,069,431
Less:	
Stabilization by State Statute	344,512
Streets - Powell Bill	104,543
<u>Assigned for subsequent year's expenditures</u>	<u>-</u>
Remaining Fund Balance	\$ 1,620,374

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

<u>Encumbrances</u>	<u>General Fund</u>	<u>Non-Major Funds</u>
	\$0	

IV. Joint Ventures

The Town and the members of the Town's fire department each appoint two members to the five-member local board of trustees for the Firemen's Relief Fund. The State Insurance Commissioner appoints one additional member to the local board of trustees.

The Firemen's Relief Fund is funded by a portion of the fire and lightning insurance premiums which insurers remit to the State. The State passes these moneys to the local board of the Firemen's Relief Fund. The funds are used to assist firefighters in various ways. The Town obtains an ongoing financial benefit from the Fund for the on-behalf of payments for salaries and fringe benefits made to members of the Town's fire department by the board of trustees. During the fiscal year ended June 30, 2020, the Town did not report any revenues and expenditures for these payments because no benefit payments were made through the Firemen's Relief Fund. The participating governments do not have any equity interest in the joint venture, so no equity has been reflected in the financial statements at June 30, 2020. The Firemen's Relief Fund does not issue separate audited financial statements. Instead, the local board of trustees files an annual financial report with the State Firemen's Association. This report can be obtained from the Association at Post Office Box 188, Farmville, NC 27828.

V. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The Town has received proceeds from 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 agreement. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

VI. Significant Effects of Subsequent Events

Subsequent events occurring after the statement of financial position date have been evaluated through November 3, 2020, which is the date the financial statements were available to be issued.

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern", which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. The outbreak presents uncertainty and risk with respect to the Town and its ability to carry out its activities which could impact its financial results.

Town of Granite Quarry, North Carolina
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Last Three Fiscal Years

Schedule of Changes in Total Pension Liability

	2020	2019	2018
Beginning balance	\$ 67,565	\$ 42,449	\$ 13,677
Service Cost Interest on total pension liability	8,010	13,666	11,231
Interest	6,306	-	-
Changes of benefit terms	-	-	1,483
Differences between expected and actual experience in the measurement of the total pension liability	(1,107)	18,276	-
Changes of assumptions or other inputs	5,360	(6,826)	9,225
Benefit payments	-	-	-
Other changes	-	-	6,833
Ending balance of the total pension liability	<u>\$ 86,134</u>	<u>\$ 67,565</u>	<u>\$ 42,449</u>

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

Schedule of Total Pension Liability as a Percentage of Covered Payroll

	2020	2019	2018
Total pension liability	\$ 86,134	\$ 67,565	\$ 42,449
Covered payroll	358,160	384,905	333,857
Total pension liability as a percentage of covered payroll	24.05%	17.55%	12.71%

Notes to the schedules:

The Town of Granite Quarry has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits

Town of Granite Quarry, North Carolina
Town of Granite Quarry's Contributions
Required Supplementary Information
Last Seven Fiscal Years

Local Government Employees' Retirement System

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 67,926	\$ 58,691	\$ 56,111	\$ 48,179	\$ 43,377	\$ 46,100	\$ 45,103
Contributions in relation to the contractually required contribution	\$ 67,926	\$ 58,691	\$ 56,111	\$ 48,179	\$ 43,377	\$ 46,100	\$ 45,103
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Granite Quarry's covered-employee payroll	\$ 729,262	\$ 721,274	\$ 710,377	\$ 628,369	\$ 622,579	\$ 637,289	\$ 629,140
Contributions as a percentage of covered-employee payroll	9.31%	8.14%	7.90%	7.67%	6.97%	7.23%	7.14%

Proportionate Share of Net Pension Liability (Asset)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Granite Quarry's proportion of the net pension liability (asset) (%)	0.01208%	0.01342%	0.01067%	0.00991%	0.01341%	0.01360%	0.01310%
Granite Quarry's proportion of the net pension liability (asset) (\$)	\$ 329,895	\$ 318,368	\$ 163,008	\$ 210,323	\$ 60,183	\$ (80,205)	\$ 153,949
Granite Quarry's covered-employee payroll	\$ 721,274	\$ 710,377	\$ 628,369	\$ 622,579	\$ 637,289	\$ 629,140	\$ 639,224
Granite Quarry's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	45.74%	44.82%	25.94%	33.78%	9.44%	(12.75%)	24.08%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	99.07%	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.

Town of Granite Quarry, North Carolina
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	Budget	Actual	Variance Favorable (Unfavorable)	2019 Actual
REVENUES:				
Ad valorem taxes				
Current year collections		\$ 1,028,072		\$ 868,324
Penalties and interest		3,702		4,078
	<u>\$ 994,268</u>	<u>1,031,774</u>	<u>\$ 37,506</u>	<u>872,401</u>
Other taxes, licenses and fees				
Privilege licenses		5,750		3,560
	<u>2,900</u>	<u>5,750</u>	<u>2,850</u>	<u>3,560</u>
Unrestricted intergovernmental				
Local option sales tax		771,824		730,589
Telecommunications sales tax		10,646		11,965
Solid waste disposal tax		2,370		2,164
Utility franchise tax		96,316		98,532
Piped natural gas		7,993		8,832
Video franchise fee tax		24,212		25,921
Beer and wine tax		13,419		13,364
ABC profit distribution		10,467		9,471
	<u>918,677</u>	<u>937,246</u>	<u>18,569</u>	<u>900,839</u>
Restricted intergovernmental				
Powell Bill allocation		83,141		83,390
Grants		-		177,049
City of Salisbury - lease/debt payment		50,000		132,000
Faith police reimbursement		146,000		140,434
On-behalf of payments - Fire and Rescue		11,659		17,088
	<u>1,003,593</u>	<u>290,800</u>	<u>(712,793)</u>	<u>549,961</u>
Sales and services				
Curbside recycling		168,064		142,111
	<u>144,000</u>	<u>168,064</u>	<u>24,064</u>	<u>142,111</u>
Other general revenues				
Investment earnings		20,632		13,502
Rental income		2,645		4,735
Donations		25		194
Donations - Land		-		184,280
Sale of assets		30,156		2,524
Other		26,901		16,583
	<u>56,316</u>	<u>80,359</u>	<u>24,043</u>	<u>221,818</u>
Total revenues	<u>\$ 3,119,754</u>	<u>\$ 2,513,993</u>	<u>\$ (605,761)</u>	<u>\$ 2,690,690</u>

Town of Granite Quarry, North Carolina
General Fund (Continued)
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2019 Actual</u>
EXPENDITURES:				
General Government				
Governing body				
Salary - Mayor/Aldermen		\$ 12,431		\$ 12,160
Mayor and board expenses		3,027		4,204
Election expense		-		-
	<u>\$ 16,787</u>	<u>15,458</u>	<u>\$ 1,329</u>	<u>16,364</u>
Administration				
Salaries and wages		272,323		228,131
Social security		20,361		16,811
Group insurance		33,139		27,568
Employee retirement		22,106		22,392
Unemployment expense		1,033		3,540
Contracted services		27,458		34,268
Christmas lights		-		9,082
Professional services		25,369		11,431
Telephone		3,453		3,378
Utilities		4,148		3,611
Printing		4,960		4,273
Membership dues		12,493		12,768
Advertising		3,987		2,027
Tax collection fee		15,838		15,560
Office expense		5,363		8,750
Election expense		2,975		-
Planning supplies		169		187
Maintenance and repairs		491		2,197
Training and schools		3,804		5,979
Insurance and bonding		4,141		4,775
Banquet expense		1,580		1,365
Community Appearance Commission		2,751		4,547
Miscellaneous		-		-
Capital outlay		89,618		188,212
	<u>1,026,616</u>	<u>557,560</u>	<u>469,056</u>	<u>610,852</u>
 Total general government	 <u>\$ 1,043,403</u>	 <u>\$ 573,018</u>	 <u>\$ 470,385</u>	 <u>\$ 627,216</u>

Town of Granite Quarry, North Carolina
General Fund (Continued)
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2019 Actual</u>
EXPENDITURES:				
Public Safety				
Police department				
Salaries		\$ 330,758		\$ 331,910
Part-time officers		9,680		24,671
Social security		26,721		28,670
Group insurance		84,508		63,492
Employee retirement		33,033		27,207
Supplemental retirement		16,927		16,436
Motor fuel		12,698		17,425
Contracted services		21,912		23,225
Printing		673		751
Telephone		7,399		6,174
Utilities		1,475		1,284
L.E. office supplies		1,441		762
Miscellaneous supplies and equipment		6,469		18,460
Maintenance and repairs - equipment		1,074		1,989
Maintenance and repairs - autos		8,704		4,812
Training and schools		1,422		874
Uniforms		2,890		2,715
Insurance		12,266		25,338
Miscellaneous		-		-
Dues and subscriptions		1,579		1,571
Capital outlay		49,547		42,323
Total police department	<u>\$ 746,096</u>	<u>631,177</u>	<u>\$ 114,919</u>	<u>640,090</u>
Public Safety - continued				
Fire department				
On-behalf of benefits		11,659		17,088
Salaries		111,693		104,160
Part-time wages		173,416		162,265
Social security		21,303		20,874
Group insurance		45,382		25,691
Employee retirement		17,141		16,358
Motor fuel		3,429		4,585
Contracted services		9,928		15,892
Printing		198		396
Telephone		3,717		3,570
Utilities		5,498		4,786
Dues and subscriptions		2,579		2,037
Office expense		209		407

Town of Granite Quarry, North Carolina
General Fund (Continued)
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2019 Actual</u>
EXPENDITURES:				
Public Safety - continued				
Fire department				
Maintenance and repairs - trucks		\$ 6,602		\$ 7,527
Maintenance and repairs - equipment		2,850		2,410
Miscellaneous supplies and equipment		23,493		23,262
Training and schools		860		715
Uniforms		2,045		2,826
Insurance		7,402		18,620
Miscellaneous		-		-
Debt service - Principal		-		-
Debt service - Interest		-		2,159
Capital outlay - equipment		44,765		158,933
	<u>\$ 503,781</u>	<u>494,169</u>	<u>\$ 9,612</u>	<u>594,560</u>
Total public safety	<u>1,249,877</u>	<u>1,125,346</u>	<u>124,531</u>	<u>1,234,651</u>
Transportation				
Streets and highways				
Salaries and wages		136,428		131,099
Social security		10,476		10,219
Group insurance		32,247		23,960
Employee retirement		16,273		13,248
Motor fuel		6,864		6,168
Communications		694		772
Utilities		2,989		2,619
Contracted services		14,791		21,510
Printing		15		6
Miscellaneous supplies and equipment		6,894		6,514
Maintenance and repairs - building		6,994		18,211
Maintenance and repairs - equipment		11,228		10,481
Maintenance and repairs - trucks		1,693		2,852
Training and schools		48		25
Uniforms		1,104		1,366
Insurance		3,151		10,141
Tools and light equipment		2,470		2,403
Miscellaneous		-		-
Hurricane damage		-		34,715
Refund Carolina Thread Trail		-		50,000
Capital outlay		32,559		32,957
Powell Bill:				
Expenses		28,975		41,303
Capital outlay		-		-
Total transportation	<u>\$ 687,701</u>	<u>\$ 315,892</u>	<u>\$ 371,809</u>	<u>\$ 420,567</u>

Town of Granite Quarry, North Carolina
General Fund (Continued)
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2019 Actual</u>
Environmental protection				
Utilities		\$ 31,073		\$ 30,105
Contract trash hauling		116,570		103,947
Recycling program		43,582		33,096
Total environmental protection	<u>\$ 195,120</u>	<u>191,226</u>	<u>\$ 3,894</u>	<u>167,148</u>
EXPENDITURES:				
Culture and Recreation				
Maintenance and repairs		13,379		19,728
Supplies and equipment		3,952		5,651
Contract services		596		2,742
Utilities		16,289		12,283
Miscellaneous		-		-
Capital outlay		-		-
Total cultural and recreational	<u>39,000</u>	<u>34,215</u>	<u>4,785</u>	<u>40,404</u>
Debt service:				
Water line extension:				
Principal retirement		50,000		50,000
Interest		5,618		7,007
Total debt service	<u>56,167</u>	<u>55,618</u>	<u>549</u>	<u>57,007</u>
Total expenditures	<u>3,271,268</u>	<u>2,295,315</u>	<u>975,953</u>	<u>2,546,993</u>
Revenues over expenditures	<u>(151,514)</u>	<u>218,178</u>	<u>369,692</u>	<u>143,696</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers to capital projects	(403,803)	(336,523)	67,280	-
Proceeds from long-term debt	-	-	-	-
Appropriated Fund Balance	555,317	-	(555,317)	-
	<u>151,514</u>	<u>(336,523)</u>	<u>(488,037)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>(118,345)</u>	<u>\$ (118,345)</u>	<u>143,696</u>
Fund balances - beginning of year		<u>2,187,777</u>		<u>2,044,080</u>
Fund balances - end of year		<u>\$ 2,069,431</u>		<u>\$ 2,187,777</u>

Town of Granite Quarry North Carolina
General Capital Projects Fund - Town Hall
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From inception and for the fiscal year ended June 30, 2020

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental:					
Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Engineering fees	25,650	-	21,315	21,315	4,335
Improvements	378,153	-	280,483	280,483	97,670
Miscellaneous	-	-	-	-	-
Total expenditures	<u>403,803</u>	<u>-</u>	<u>301,798</u>	<u>301,798</u>	<u>102,005</u>
Revenues over expenditures	<u>(403,803)</u>	<u>-</u>	<u>(301,798)</u>	<u>(301,798)</u>	<u>102,005</u>
Other financing sources (uses):					
Transfer from (to) operating fund	403,803	-	301,798	301,798	(102,005)
Total other financing sources	<u>403,803</u>	<u>-</u>	<u>301,798</u>	<u>301,798</u>	<u>(102,005)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance, beginning			-		
Fund Balance, ending			<u>\$ -</u>		

Town of Granite Quarry North Carolina
General Capital Projects Fund - Streets
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From inception and for the fiscal year ended June 30, 2020

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Restricted intergovernmental:					
Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Administrative fees	10,500	-	1,943	1,943	8,557
Improvements	339,500	-	-	-	339,500
Capitalized interest	40,750	-	-	-	40,750
Total expenditures	<u>390,750</u>	<u>-</u>	<u>1,943</u>	<u>1,943</u>	<u>388,807</u>
Revenues over expenditures	<u>(390,750)</u>	<u>-</u>	<u>(1,943)</u>	<u>(1,943)</u>	<u>388,807</u>
Other financing sources (uses):					
Proceeds from borrowings	350,000	-	350,000	350,000	-
Transfer from (to) operating fund	40,750	-	-	-	(40,750)
Total other financing sources	<u>390,750</u>	<u>-</u>	<u>350,000</u>	<u>350,000</u>	<u>(40,750)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>348,057</u>	<u>\$ 348,057</u>	<u>\$ 348,057</u>
Fund Balance, beginning			-		
Fund Balance, ending			<u>\$ 348,057</u>		

Town of Granite Quarry North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
For the fiscal year ended June 30, 2020

	<u>Granite Lake Capital Project</u>	<u>Industrial Development Capital Project</u>	<u>Total Non-Major Capital Project Funds</u>
Assets			
Current Assets:			
Cash and cash equivalents - restricted	\$ -	\$ 29,152	\$ 29,152
Accounts receivable	22,735	-	22,735
Total Assets	<u>\$ 22,735</u>	<u>\$ 29,152</u>	<u>\$ 51,886</u>
Liabilities and Fund Balances			
Accounts payable	\$ 20,040	\$ 5,224	\$ 25,263
Due to General Fund	2,695	-	2,695
Total liabilities	<u>22,735</u>	<u>5,224</u>	<u>27,958</u>
Fund balances			
Restricted for capital projects	-	23,928	23,928
Assigned for capital projects	-	-	-
Total fund balances	<u>-</u>	<u>23,928</u>	<u>23,928</u>
Total liabilities and fund balances	<u>\$ 22,735</u>	<u>\$ 29,152</u>	<u>\$ 51,886</u>

Town of Granite Quarry North Carolina
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the fiscal year ended June 30, 2020

	<u>Granite Lake Capital Project</u>	<u>Industrial Development Capital Project</u>	<u>Total Non-Major Capital Project Funds</u>
Revenues:			
Restricted intergovernmental:			
Grants	\$ 22,735	\$ 16,121	\$ 38,855
Total revenues	<u>22,735</u>	<u>16,121</u>	<u>38,855</u>
Expenditures:			
Engineering fees	22,735	21,718	44,452
Improvements	-	200	200
Administrative costs	-	5,000	5,000
Contingency	-	-	-
Total expenditures	<u>22,735</u>	<u>26,918</u>	<u>49,652</u>
Revenues over expenditures	<u>-</u>	<u>(10,797)</u>	<u>(10,797)</u>
Other financing sources (uses):			
Proceeds from borrowings	-	-	-
Transfer from (to) operating fund	-	34,725	34,725
Total other financing sources	<u>-</u>	<u>34,725</u>	<u>34,725</u>
Net change in fund balance	<u>-</u>	<u>23,928</u>	<u>23,928</u>
Fund Balance, beginning	-	-	-
Fund Balance, ending	<u>\$ -</u>	<u>\$ 23,928</u>	<u>\$ 23,928</u>

Town of Granite Quarry North Carolina
General Capital Projects Fund - Granite Lake
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From inception and for the fiscal year ended June 30, 2020

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental:					
FEMA grant	\$ 523,361	\$ -	\$ 17,051	\$ 17,051	\$ (506,310)
NC DEM grant	174,454	-	5,684	5,684	(168,770)
Total revenues	<u>697,815</u>	<u>-</u>	<u>22,735</u>	<u>22,735</u>	<u>(675,080)</u>
Expenditures:					
Engineering fees	186,315	-	22,735	22,735	163,580
Improvements	465,000	-	-	-	465,000
Contingency	46,500	-	-	-	46,500
Total expenditures	<u>697,815</u>	<u>-</u>	<u>22,735</u>	<u>22,735</u>	<u>675,080</u>
Revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):					
Proceeds from borrowings		-	-	-	-
Transfer from (to) operating fund	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance, beginning			<u>-</u>		
Fund Balance, ending			<u>\$ -</u>		

Town of Granite Quarry North Carolina
General Capital Projects Fund - Industrial Development
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From inception and for the fiscal year ended June 30, 2020

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental:					
Rural Economic Development grant	\$ 208,350	\$ -	\$ 16,121	\$ 16,121	\$ (192,230)
Rowan County	34,725	-	-	-	(34,725)
Total revenues	<u>243,075</u>	<u>-</u>	<u>16,121</u>	<u>16,121</u>	<u>(226,955)</u>
Expenditures:					
Engineering fees	66,660	-	21,718	21,718	44,942
Improvements	191,140	-	200	200	190,940
Administrative costs	20,000	-	5,000	5,000	15,000
Total expenditures	<u>277,800</u>	<u>-</u>	<u>26,918</u>	<u>26,918</u>	<u>250,882</u>
Revenues over expenditures	<u>(34,725)</u>	<u>-</u>	<u>(10,797)</u>	<u>(10,797)</u>	<u>23,928</u>
Other financing sources (uses):					
Transfer from (to) operating fund	34,725	-	34,725	34,725	-
Total other financing sources	<u>34,725</u>	<u>-</u>	<u>34,725</u>	<u>34,725</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>23,928</u>	<u>\$ 23,928</u>	<u>\$ 23,928</u>
Fund Balance, beginning			-		
Fund Balance, ending			<u>\$ 23,928</u>		

Town of Granite Quarry, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2020

Fiscal Year	Uncollected Balance		Collections And Credits	Uncollected Balance	
	June 30, 2019	Additions		June 30, 2020	
2019-2020		\$ 1,046,229	\$ 1,030,519	\$	15,710
2018-2019	\$ 10,027		4,433		5,594
2017-2018	6,504		1,722		4,782
2016-2017	4,766		1,594		3,172
2015-2016	3,676		634		3,042
2014-2015	3,028		620		2,408
2013-2014	1,882		555		1,327
2012-2013	1,146		307		839
2011-2012	1,204		291		913
2010-2011	610		-		610
2009-2010	1,014		1,014		-
	<u>\$ 33,857</u>	<u>\$ 1,046,229</u>	<u>\$ 1,041,689</u>		
Ad valorem taxes receivable-net				<u>\$</u>	<u>38,398</u>
Reconciliation with revenues:					
Taxes-Ad Valorem-General				\$	1,028,072
Adjustments & credits					<u>13,617</u>
Total collections and credits				<u>\$</u>	<u>1,041,689</u>

Town of Granite Quarry, North Carolina
Analysis of Current Tax Levy
Town-Wide Levy
For the Year Ended June 30, 2020

	Total Property Valuation	Rate	Amount of Levy	Total Levy	
				Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current years rate	\$ 250,593,772	0.4175	\$ 1,046,229	\$ 933,545	\$ 112,684
Property taxed at prior years rate	-		-	-	-
Penalties	-		-	-	-
Total	<u>250,593,772</u>		<u>1,046,229</u>	<u>933,545</u>	<u>112,684</u>
Discoveries:					
Current year rates	-	0.4175	-	-	-
Prior year taxes	-		-	-	-
Penalties	-		-	-	-
Total	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>
Abatements	<u>(2,156,168)</u>	0.4175	<u>(9,002)</u>	<u>(9,002)</u>	<u>-</u>
Total property valuation	<u>\$ 248,437,605</u>				
Net levy			1,037,227	924,543	112,684
Uncollected taxes at June 30, 2020			<u>(15,710)</u>	<u>(15,710)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 1,021,517</u>	<u>\$ 908,833</u>	<u>\$ 112,684</u>
Percent current year collected			<u>98.49%</u>	<u>98.30%</u>	<u>100.00%</u>

Agenda Item Summary
Regular Monthly Meeting
December 7, 2020
Agenda Item 8

Summary:

1. Budget Amendment #7

Per the Joint Police Authority Agreement with the Town of Faith, all funds not expended within the police budget are to be designated to Capital Outlay – Vehicles to the following fiscal year. With the 19-20 audit complete, the official amount of rollover funds is \$114,919.

2. Request for Authorization to Purchase

At the September Board meeting staff presented justification for authorization to purchase 2 patrol vehicles from the pending rollover funds. The Board approved moving forward with the purchase of 2 vehicles in an amount not to exceed \$95,000.

Chief Cook had quoted the not to exceed based on availability of Dodge Durangos. Ultimately, he was only able to secure order on 2 Ford SUVs; the final amount of which (purchase and total upfit costs) is estimated to total slightly higher, at ~\$98,300.

To be safe, staff would recommend amending the authorization to an amount not to exceed \$100,000.

Action Requested:

- 1. Motion to approve Budget Amendment #7.**
- 2. Motion to amend the previous estimate for police vehicles' purchase to an amount not to exceed \$100,000.**

Joint Police Authority Funds

Motion Made By:

- Jim Costantino
Kim Cress
John Linker
Doug Shelton

Second By:

- Jim Costantino
Kim Cress
John Linker
Doug Shelton

For:

- Jim Costantino
Kim Cress
John Linker
Doug Shelton

Against:

- Jim Costantino
Kim Cress
John Linker
Doug Shelton

In case of tie:

Mayor Bill Feather

- For
Against

FISCAL YEAR 2020-2021
BUDGET AMENDMENT REQUEST #7

December 7, 2020

PURPOSE: To transfer funds from Fund Balance Appropriated (01-3991-99) to Police Department Capital Outlay - Vehicles (01-4310-54) in the amount of \$114,919. Funds were unexpended in FY 19-20.

TRANSFER FUNDS FROM:

General Ledger Acct. # and Description	Amount
01-3991-99 Fund Balance Appropriated	\$ 114,919
TOTAL	\$ 114,919

ADD FUNDS TO:

General Ledger Acct. # and Description	Amount
01-4310-54 Police Dept – Cap Outlay - Vehicles	\$ 114,919
TOTAL	\$ 114,919

The above Budget Amendment was approved / denied by the Manager or Board on _____.

William Feather, Mayor

Shelly Shockley, Finance Officer

LONGEVITY PAY

TO: Board of Aldermen
FROM: Town Manager
DATE: 12/7/2020



Several months ago we reviewed a longevity pay policy draft. The Board approved sending that the HR consultant helping with our Personnel Policy rewrite for review of incorporating it into the manual.

Longevity pay can indeed become an annual expectation by employees if not administered concertedly (and yes, sometimes regardless). The key is having the management team aligned with:

- a) hammering home to each employee that these are not automatic annual bonuses; and
- b) getting employee buy-in to help the Town save money wherever possible accordingly.

I am pleased to continue bringing you even more good news about our revenue projections and our budget position each month. We included \$6,000 for longevity pay on the “Special Projects / Hold List” the Board adopted within the Board Contingency line item this FY. Staff has been holding the line on budgeting well, however. We have thoroughly evaluated each department’s potential breakdown of staffing’s longevity pay against their budgets, now 5 months in:

*If nothing else were to change between now and June 30, we should be able to cover longevity pay **without** even needing to dip into the Contingency / “Special Projects / Hold List” longevity amount.*

With that said, I respectfully request the Board’s consideration of authorizing Longevity Pay for town employees.

ACTION REQUESTED:

Motion to approve Longevity Pay as presented.

Agenda Item Summary

Regular Meeting
December 7, 2020
Agenda Item 10

Holiday Closings and Meeting Dates

Summary:

Each year the Board of Aldermen reviews and sets its meeting dates and recognized holidays and office closings for the upcoming year. The proposed meeting dates and holiday closings are attached for review and approval.

This year it has also been requested that the retreat dates be set as well.

Action Requested:

Motion to adopt the Holiday Closings and Board Meeting Schedule for 2021.

Motion Made By:	
Jim Costantino	<input type="checkbox"/>
Kim Cress	<input type="checkbox"/>
John Linker	<input type="checkbox"/>
Doug Shelton	<input type="checkbox"/>
Second By:	
Jim Costantino	<input type="checkbox"/>
Kim Cress	<input type="checkbox"/>
John Linker	<input type="checkbox"/>
Doug Shelton	<input type="checkbox"/>
For:	
Jim Costantino	<input type="checkbox"/>
Kim Cress	<input type="checkbox"/>
John Linker	<input type="checkbox"/>
Doug Shelton	<input type="checkbox"/>
Against:	
Jim Costantino	<input type="checkbox"/>
Kim Cress	<input type="checkbox"/>
John Linker	<input type="checkbox"/>
Doug Shelton	<input type="checkbox"/>
In case of tie:	
Mayor Bill Feather	
For	<input type="checkbox"/>
Against	<input type="checkbox"/>



2021 Board of Aldermen Regular Meeting Schedule

(Regular Meetings are scheduled on the **first** Monday at 7:00 p.m. except on a holiday)

January 4	Monday
February 1	Monday
February 19? (Retreat)	Friday
March 1	Monday
April 5	Monday
May 3	Monday
June 7	Monday
July 5	Monday
August 2	Monday
September 7	Tuesday
October 4	Monday
November 1	Monday
December 6	Monday

- OR -

(Regular Meetings are scheduled on the **second** Monday at 7:00 p.m.)

January 11	Monday
February 8	Monday
February 19? (Retreat)	Friday
March 8	Monday
April 12	Monday
May 10	Monday
June 14	Monday
July 12	Monday
August 16	Monday
September 13	Tuesday
October 11	Monday
November 8	Monday
December 13	Monday

2021 Holiday Schedule

Holiday	Observance Date	Day of the Week
New Year's Day	January 1	Friday
Martin Luther King Jr. Day	January 18	Monday
Good Friday	April 2	Friday
Memorial Day	May 31	Monday
Independence Day	July 5	Monday
Labor Day	September 6	Monday
Veterans Day	November 11	Thursday
Thanksgiving	November 25 & 26	Thursday & Friday
Christmas	December 23 & 24	Thursday & Friday

Agenda Item Summary

Regular Meeting
December 7, 2020
Agenda Item 11

Summary:

Each year the Board of Aldermen appoints a representative and alternate to the Cabarrus Rowan MPO Transportation Advisory Committee (TAC). At present, Mayor Feather is serving as the appointed member and Alderman Shelton is serving as the alternate representative for the Town of Granite Quarry on the TAC.

Action Requested:

Motion to appoint _____ as the Cabarrus Rowan MPO TAC representative and _____ as the alternate representative.

MPO TAC Appointments

Motion Made By:

- Jim Costantino
- Kim Cress
- John Linker
- Doug Shelton

Second By:

- Jim Costantino
- Kim Cress
- John Linker
- Doug Shelton

For:

- Jim Costantino
- Kim Cress
- John Linker
- Doug Shelton

Against:

- Jim Costantino
- Kim Cress
- John Linker
- Doug Shelton

In case of tie:

Mayor Bill Feather

- For
- Against

CORONAVIRUS RELIEF FUNDS

TO: Board of Aldermen
FROM: Town Manager
DATE: 12/7/2020



1. **CRF Expenditure Report – November 2020**

Please see the attached CRF Expenditure Report for expenditures through November 25, 2020.

Please approve the attached CRF Expenditure Report to be filed with the County by December 15th. Staff has thoroughly verified that all expenditures for invoices and time worked listed on the Report qualify under the requirements of the CRF legislation.

2. **CRF Municipal Plan Amendment (for information only)**

Attached is the amended municipal plan submitted for Granite Quarry's allotment of Coronavirus Relief Funds. We amend the plan with the State as we've realized exact costs of the exact items we have procured or expended.

Following that is an itemized breakdown of the total anticipated expenditures through 12/30/20. Some items are still pending completion, so the final amounts on those pending itemizations could potentially vary slightly within the total reimbursement allotment of \$90,641.00.

ACTIONS REQUESTED:

Motion to approve the CRF Expenditure Report as submitted and attested to by the town manager.

**ATTACHMENT C-2: NCPRO Coronavirus grant
Monthly Reimbursement Request**

Date of Invoice, payroll, or service,	Employee ID Number or Invoice Number	Employee Title or Description of Item Purchased	Required Monthly Hours Worked or Total Invoice Amount	Actual Employee Hours Dedicated to COVID or Invoice Quantity or # of Patients Served	Employee Expenses (Payroll and benefits cost for employee that are dedicated to COVID-19)	Contracted Labor Expenses	Goods Expenses (e.g. supplies, PPE)	Other Expenses (e.g. related charges not assigned in columns H-M and described by recipient, such as, patient services)	TOTAL Expenditures
11/08/20	1208202534	GoToMeeting.com virtual meeting software					\$ 10.00		\$ 10.00
11/10/20	5019	Sneeze Guards for Board Room Dias					\$ 1,284.00		\$ 1,284.00
11/16/20	112-5851615-5793806	StepNpull Hands Free Door Openers					\$ 123.91		\$ 123.91
11/16/20	16995	Lake Park Magnetic Door Locks for Restrooms - 1 of 2 Payments					\$ 1,624.04		\$ 1,624.04
11/16/20	16996	Civic Park Magnetic Door Locks for Restrooms - 1 of 2 Payments					\$ 1,624.04		\$ 1,624.04
11/17/20	112-8522874-0890655	Touchless Faucets					\$ 4,086.16		\$ 4,086.16
11/17/20	112-6422703-1508201	Mixing Valves for Faucets					\$ 476.77		\$ 476.77
11/23/20	11191	Sanitizing Wipes & Face Masks					\$ 100.59		\$ 100.59
									\$ -
					\$ -	\$ -	\$ 9,329.51	\$ -	\$ 9,329.51



North Carolina Pandemic Recovery Office

Coronavirus Relief Fund (CRF)

"Town of Granite Quarry" Plan

Instructions

1. This document is to be used by municipalities to document the planned use of the CRF monies allotted to them by Rowan County
2. Please add the name of your Municipality name in place of "Name of Municipality"
3. Submit your plan to Derrick Atkins at derrick.atkins@rowancounty.gov, and copy Randy Cress at randy.cress@rowancountync.gov and Leslie Heidrick at leslie.heidrick@rowancountync.gov, on or before August 20, 2020.
4. Under Categories. Please aggregate the amount of all expenses for that specific category. Example amounts should be removed and you can enter the municipality's amounts. The total must agree with your allotment.

The Municipality is responsible for maintaining adequate documentation to support expenditures. If estimates are being used the methodology must be documented and defensible. The Municipality is responsible for following the Federal *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* promulgated by the United States Office of Management and Budget unless the US Treasury publishes guidance stating otherwise.

Municipality Information

Name of Municipality: Town of Granite Quarry
Name of County Allotting Fund: Rowan County-Contract Agreement # with State 02-78
Person Submitting: Larry Smith
Title: Town Manager
Email: townmanager@granitequarrync.gov
Phone Number: (704) 279-5596

Planned Expenditures

Categories	Amount
<p>1. Medical expenses such as:</p> <ul style="list-style-type: none"> • COVID-19-related expenses of public hospitals, clinics, and similar facilities. • Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs. • Costs of providing COVID-19 testing, including serological testing. • Emergency medical response expenses, including emergency medical transportation, related to COVID-19. • Expenses for establishing and operating public telemedicine capabilities for COVID-19 related treatment. 	\$ -
<p>2. Public health expenses such as:</p> <ul style="list-style-type: none"> • Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19. • Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency. • Expenses for disinfection of public areas and other facilities, e.g., nursing homes, in response to the COVID-19 public health emergency. • Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety. • Expenses for public safety measures undertaken in response to COVID-19. • Expenses for quarantining individuals. 	\$ 18,558.55

3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.	\$ 69,693.57
4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as: <ul style="list-style-type: none"> • Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions. • Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions. • Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions. • Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions. • COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions. • Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions. 	\$ 2,388.88
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as: <ul style="list-style-type: none"> • Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. • Expenditures related to a State, territorial, local, or Tribal government payroll support program. • Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise. 	\$ -
6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.	\$ -
7. Grants to nonprofits. List each planned subaward. (add more rows if necessary)	
a.	
b.	
c.	
Grand Total	\$ 90,641.00

Signature

Title Town Manager

Date ~~8/21/20~~ Amended 11/25/20

**Granite Quarry - Municipal CRF Plan
Administrative Total / Itemized Breakdown**

\$ 90,641.00

Category / classification	Item	Date	Total
2. Expenses for disinfection of public areas and other facilities, e.g., nursing homes, in response to the COVID-19 public health emergency.	Vinyl decals for town vehicles re: social distancing	04/17/20	\$ 64.20
	Additional disinfecting supplies	04/17/20	\$ 55.23
	Additional disinfecting supplies	04/28/20	\$ 388.28
	Disinfecting sprayers	05/21/20	\$ 14.96
	Appurtenances for touchless sanitizers in parks	09/22/20	\$ 82.39
	2 Portable HEPA filtration units + touchless thermometer	09/24/20	\$ 569.77
	5 Portable HEPA filtration units	09/24/20	\$ 1,321.35
	Additional disinfecting supplies	09/30/20	\$ 475.16
	2 Touchless sanitizer units, 6 gallons sanitizer	10/14/20	\$ 242.89
	Sanitizer station for Town Hall	10/14/20	\$ 131.60
	Dais dividers for Board Room		\$ 1,284.00
	Touchless faucets Town Hall, Civic Park, Lake Park, Legion Bldg	11/17/20	\$ 4,562.93
	Touchless upgrades to Lake & Civic Park restroom doors		
	Automatic timed & magnetic locking mechanisms		\$ 6,496.16
	Additional plating and step pull hardware		\$ 2,769.04
	Disinfecting wipes for Admin maintenance of lobby & counter	11/23/20	\$ 29.48
Additional facemasks	11/23/20	\$ 71.11	
			\$ 18,558.55
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.	Fire Department Payroll of substantially dedicated personnel		
	Total qualifying FD payroll	07/30/20	\$ 13,190.77
	Total qualifying FD payroll	08/13/20	\$ 12,713.29
	Total qualifying FD payroll	08/27/20	\$ 12,557.24
	Total qualifying FD payroll	09/10/20	\$ 10,629.54
	Total qualifying FD payroll	09/24/20	\$ 15,091.70
	Total qualifying FD payroll		\$ 5,511.03
			\$ 69,693.57
4. Expenses of actions to facilitate compliance with COVID-19-related public health measures.	GoToMeeting.com virtual meeting software		\$ 90.00
	Emergency Paid Sick Leave	04/23/20	\$ 269.22
	Emergency Paid Sick Leave	05/07/20	\$ 1,076.86
	Emergency Paid Sick Leave	06/04/20	\$ 952.80

\$ 90,641.00

**INSURANCE PAYMENT & DISBURSEMENT
STORM DAMAGE - LAKE PARK FENCE**



TO: Board of Aldermen
FROM: Town Manager
DATE: 12/7/2020

The insurance company approved payment for repair to the Lake Park Fence from the storm in November. They had the fence company quote replacement of the entire length of fencing along Salisbury Avenue / Hwy 52, which came to \$11,674.37. Our policy carries a \$500 deductible.

Insurance cut the check to the Town instead of directly to the fence company. Attached is the budget amendment to receive the insurance funds and to disburse that plus our \$500 deductible amount to the fence company. The fence company anticipates being on site to begin work within 2 weeks of receiving our purchase order.

ACTION REQUESTED:

Motion to approve Budget Amendment #8 as presented.

FISCAL YEAR 2020-2021
BUDGET AMENDMENT REQUEST #8

December 7, 2020

PURPOSE: To receive and disburse insurance funds plus \$500 deductible for the repair of storm damage to lake park fence in the amount of \$11,675.

INCREASE REVENUES:

General Ledger Acct. # and Description	Amount
01-3413-89 Miscellaneous Revenue	\$ 11,175
01-3991-99 Fund Balance Appropriated	\$ 500
TOTAL	\$ 11,675

INCREASE EXPENSES:

General Ledger Acct. # and Description	Amount
01-6130-24 Maint & Repair – Bldgs/Grounds	\$ 11,675
TOTAL	\$ 11,675

The above Budget Amendment was approved / denied by the Manager or Board on _____.

William Feather, Mayor

Shelly Shockley, Finance Officer

December 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4	5
6	7	8	9	10	11	12
	BoA Regular Mtg. 7pm			CAC 6pm		
13	14	15	16	17	18	19
	Business After Hours 5pm Planning Board 6pm	Revitalization 3:30pm		Power in Partnership Zoom Webinar 7:30am		
20	21	22	23	24	25	26
	P.E.R.C. 5pm ZBA 5:30pm			Christmas Eve Office Closed	Christmas Office Closed	
27	28	29	30	31		