

REVIEWED

By SLGFD at 8:28 am, Dec 14, 2021

Vance County
Henderson, North Carolina
Financial Statements
June 30, 2021

VANCE COUNTY, NORTH CAROLINA
BOARD AND OFFICERS
June 30, 2021

BOARD OF COUNTY COMMISSIONERS

Dan Brummitt, Chairman
Leo Kelly, Jr., Vice-Chairman
Carolyn Faines
Yolanda J. Feimster
Thomas S. Hester, Jr.
Archie B. Taylor, Jr.
Gordon Wilder

OFFICERS

County Manager
Finance Director

Jordan McMillen
Katherine Bigelow

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INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
County of Vance
Henderson, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Vance, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the County of Vance's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Vance County ABC Board, which reflect 63.30 percent of the assets, 57.12 percent of the net position, and 93.42 percent of the revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Vance County ABC Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Vance County ABC Board were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Vance, North Carolina as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance, the other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions on pages 4 through 10 and 66 through 74, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Vance's basic financial statements. The combining and individual fund statements, budgetary schedules, other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purpose of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2021, on our consideration of the County of Vance's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Vance's internal control over financial reporting and compliance.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 21, 2021

Management's Discussion and Analysis

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

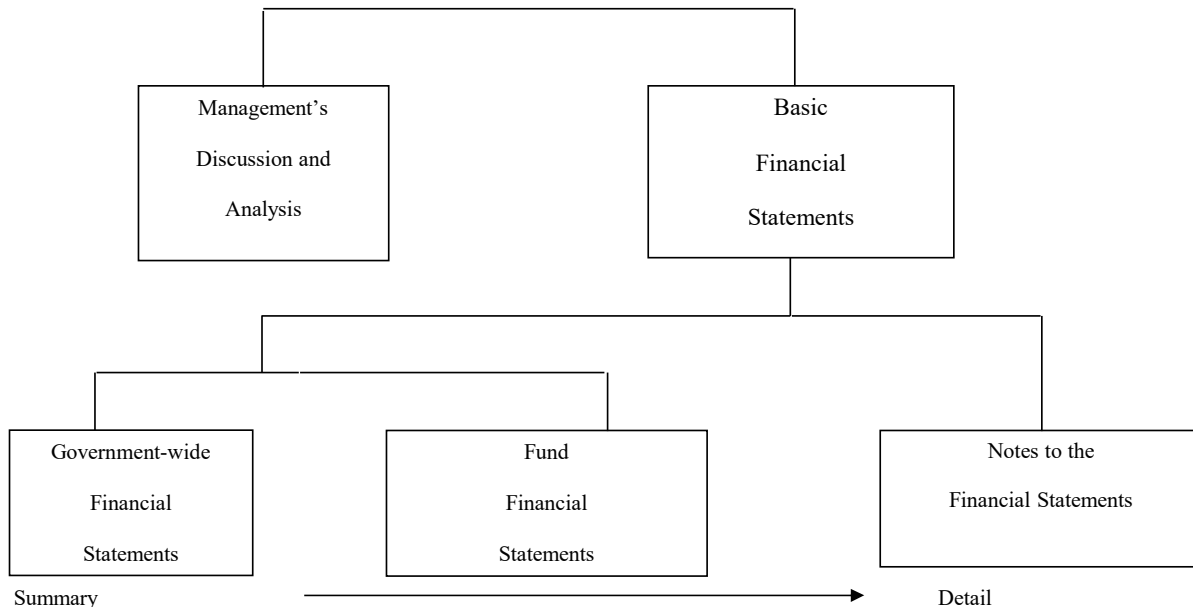
Financial Highlights

- The assets and deferred outflows of resources of Vance County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$15,435,814 (*net position*). Unrestricted net position is negative (\$2,659,760) as a result of the implementation of GASB 75.
- The government's total net position increased by \$6,912,627, primarily due to increases in the net position of the Governmental Funds. There was also a restatement of beginning net position of \$108,049 as a result of the implementation of GASB Statement No. 84, *Fiduciary Activities*, which created new special revenue funds that were once treated as agency funds.
- As of the close of the current fiscal year, Vance County's governmental funds reported combined ending fund balances of \$34,506,512, an increase of \$8,644,855 in comparison with the prior year. Approximately 22.21 percent of this total amount, or \$7,665,467 is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$22,010,944 or 44.76 percent of total general fund expenditures for the fiscal year.

Overview of the Financial Statements

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

Required Components of Annual Financial Report
Figure 1



VANCE COUNTY, NORTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS

Basic Financial Statements

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

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

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

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

Government-wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, human services, and general administration. Property taxes, sales taxes, and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and solid waste management services offered by Vance County. The final category is the component units. Although legally separate from the County, the ABC Board is important to the County because the County is financially accountable for the Board by appointing its members and because the Board is required to distribute its profits to the County. The other component unit is the Vance County Tourism Development Authority, a public authority operating under the development of travel, tourism, and conventions in Vance County through advertising and promotions. The Authority is funded by a specific allocation of the county-wide occupancy tax authorized by House Bill 765, Ratified Bill, 2001 session of the North Carolina General Assembly.

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

Fund Financial Statements

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

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

VANCE COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Vance County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds – Vance County has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Vance County uses enterprise funds to account for its water and solid waste management service operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Vance County has two fiduciary funds, both of which are custodial funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow Exhibit 10 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Vance County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found following the notes to the financial statements section of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The liabilities and deferred inflows of resources of Vance County's primary government exceeded its liabilities by \$15,435,814 as of June 30, 2021. The County's net position increased by \$7,020,676 for the fiscal year ended June 30, 2021. One of the largest portions, \$10,430,107 (67.57%) reflects the County's net investment in capital assets (e.g. land, buildings, improvements, machinery, and equipment net of any related outstanding debt of those assets). Vance County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Vance County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Vance County's net position \$7,665,467 (49.66%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of negative \$2,659,760 (17.23%) is unrestricted. Unrestricted net position is negative as a result of the implementation of GASB 75.

Vance County's Net Position

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other assets	\$ 42,269,611	\$ 29,200,615	\$ 2,121,703	\$ 2,602,175	\$ 44,391,314	\$ 31,802,790
Capital Assets	22,973,597	17,387,642	15,841,126	15,756,735	38,814,723	33,144,377
Net Pension Assets	76,489	54,571	-	-	76,489	54,571
Total Assets	65,319,697	46,642,828	17,962,829	18,358,910	83,282,526	65,001,738
Total deferred outflows of resources	8,585,520	5,019,540	29,164	17,115	8,614,684	5,036,655
Long-term liabilities	19,769,784	14,237,202	11,257,315	11,469,002	31,027,099	25,706,204
Other liabilities	36,160,782	30,678,957	1,404,154	1,515,990	37,564,936	32,194,947
Total Liabilities	55,930,566	44,916,159	12,661,469	12,984,992	68,592,035	57,901,151
Total deferred inflows of resources	7,841,242	3,708,755	28,119	13,349	7,869,361	3,722,104
Net Position						
Net investment in capital assets	5,846,296	6,930,320	4,583,811	4,287,733	10,430,107	11,218,053
Restricted	7,665,467	8,761,529	-	-	7,665,467	8,761,529
Unrestricted	(3,378,354)	(12,654,395)	718,594	1,089,951	(2,659,760)	(11,564,444)
Total Net Position	\$ 10,133,409	\$ 3,037,454	\$ 5,302,405	\$ 5,377,684	\$ 15,435,814	\$ 8,415,138

VANCE COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Several aspects of the County's financial operations both positively and negatively influenced the total unrestricted governmental net position:

- Continued strong collection rate for property taxes.
- Increased in sales tax collections, a major source of revenue for the County.
- Operating grants.
- Continued low cost of debt due to the County's high bond rating.
- Aggressive pursuit of grants funding for County projects.
- Diligent collection efforts on past due bills for taxes, utilities, and service.
- Maintaining expenditures within budgeted amounts.

Vance County's Changes in Net Position

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 3,911,544	\$ 4,465,319	\$ 3,608,599	\$ 3,395,121	\$ 7,520,143	\$ 7,860,440
Operating grants and contributions	11,371,906	9,995,859	109,196	154,850	11,481,102	10,150,709
Capital grants and contributions	385,026	435,382	75,108	440,340	460,134	875,722
General revenues:						
Property taxes	27,295,262	26,838,147	-	-	27,295,262	26,838,147
Other taxes	12,829,373	9,699,030	-	-	12,829,373	9,699,030
Grants and contributions not restricted to specific programs	508,796	531,502	-	-	508,796	531,502
Other	291,987	787,325	112	103,338	292,099	890,663
Total revenues	<u>56,593,894</u>	<u>52,752,564</u>	<u>3,793,015</u>	<u>4,093,649</u>	<u>60,386,909</u>	<u>56,846,213</u>
Expenses:						
Administrative	-	-	-	-	-	-
General government	4,703,801	4,852,930	-	-	4,703,801	4,852,930
Public safety	18,195,030	17,359,942	-	-	18,195,030	17,359,942
Transportation	51,882	65,147	-	-	51,882	65,147
Environmental protection	18,900	10,890	-	-	18,900	10,890
Economic and physical development	2,583,267	2,600,776	-	-	2,583,267	2,600,776
Human service	11,453,393	11,531,445	-	-	11,453,393	11,531,445
Cultural and recreation	1,987,261	1,971,394	-	-	1,987,261	1,971,394
Education	10,248,354	10,515,641	-	-	10,248,354	10,515,641
Interest on long-term debt	364,100	424,930	-	-	364,100	424,930
Solid waste management	-	-	2,519,251	2,360,507	2,519,251	2,360,507
Water	-	-	1,349,043	1,388,256	1,349,043	1,388,256
Total expenses	<u>49,605,988</u>	<u>49,333,095</u>	<u>3,868,294</u>	<u>3,748,763</u>	<u>53,474,282</u>	<u>53,081,858</u>
Increase (decrease) in net position before transfers and special items	6,987,906	3,419,469	(75,279)	344,886	6,912,627	3,764,355
Transfers and special items	-	(20,007)	-	20,007	-	-
Increase (Decrease) in net position after transfers and special items	6,987,906	3,399,462	(75,279)	364,893	6,912,627	3,764,355
Net position, beginning	3,037,454	(362,008)	5,377,684	5,012,791	8,415,138	4,650,783
Net position, beginning (restated)	3,145,503	(362,008)	5,377,684	5,012,791	8,523,187	4,650,783
Net position, ending	<u>\$ 10,133,409</u>	<u>\$ 3,037,454</u>	<u>\$ 5,302,405</u>	<u>\$ 5,377,684</u>	<u>\$ 15,435,814</u>	<u>\$ 8,415,138</u>

VANCE COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental activities. Governmental activities increased the County's net position by \$6,987,906. Key elements of this increase are as follows:

- Increase in property taxes, other taxes, and grants.
- Decreased expenditures in General Government, Transportation, Economic Development, and Education.

Business-type activities: The net position of business-type activities decreased by \$75,279. Key elements of this decrease are as follows:

- Charges for services increased, but grants and contributions decreased. Expenditures also increased.

Financial Analysis of the County's Funds

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

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

The general fund is the chief operating fund of Vance County. At the end of the current fiscal year, Vance County's fund balance available in the General Fund was \$24,734,815 while total fund balance reached \$26,993,578. The County currently has an available fund balance of 50.30% of general fund expenditures, while total fund balance represents 54.89% of that same amount.

At June 30, 2021, the governmental funds of Vance County reported a combined fund balance of \$34,506,512, a 33.57 % increase over last year.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$9,900 for the fiscal year ending June 30, 2021.

Proprietary Funds. The County of Vance's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Total net position of the Solid Waste Fund at the end of the fiscal year was \$406,722, and for the Water Fund equaled \$4,895,683. The change in net position for the Solid Waste Fund was (\$35,925) while the change in net position for the Water Fund was \$(39,354). Other factors concerning the finances of these funds have already been addressed in the discussion of Vance County's Business-Type activities.

Capital Asset and Debt Administration

Capital assets. Vance County's capital assets for its governmental and business – type activities as of June 30, 2021, totals \$38,814,723 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, vehicles and construction in progress.

Major capital asset transactions during the year include:

- Purchased a number of new vehicles for public safety and DSS.
- Various other building improvements.
- Various other equipment.

Vance County's Capital Assets

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 2,403,383	\$ 2,403,383	\$ 899,343	\$ 899,343	\$ 3,302,726	\$ 3,302,726
Building & Improvements	11,339,550	11,378,395	430,096	54,483	11,769,646	11,432,878
Equipment & Vehicles	2,847,122	1,983,518	39,723	70,383	2,886,845	2,053,901
Computer Software	120,391	92,780	-	-	120,391	92,780
Water Distribution system	-	-	14,471,964	13,416,876	14,471,964	13,416,876
Construction in Progress	6,263,151	1,529,566	-	1,315,650	6,263,151	2,845,216
Total	<u>\$ 22,973,597</u>	<u>\$ 17,387,642</u>	<u>\$ 15,841,126</u>	<u>\$ 15,756,735</u>	<u>\$ 38,814,723</u>	<u>\$ 33,144,377</u>

Additional information on the County's capital assets can be found in notes to the financial statements.

VANCE COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term Debt. As of June 30, 2021, Vance County had total long-term debt obligations of \$31,027,099 all of which is backed by the full faith and credit of the County.

Vance County's Outstanding Debt
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ -	\$ -	\$ 11,052,000	\$ 11,250,000	\$ 11,052,000	\$ 11,250,000
Capitalized leases	255,897	496,747	-	-	255,897	496,747
Direct Placement Installment Purchases	19,513,887	13,740,455	-	-	19,513,887	13,740,455
Direct Borrowing Installment Purchases	-	-	205,315	219,002	205,315	219,002
Total	\$ 19,769,784	\$ 14,237,202	\$ 11,257,315	\$ 11,469,002	\$ 31,027,099	\$ 25,487,202

Vance County's total debt increased by \$5,539,897 during the past fiscal year primarily due to the Eaton Johnson DSS project.

As mentioned in the financial highlights section of this document, Vance County has been upgraded to an Aa3 bond rating from Moody's Investor Service as well as an AA-bond rating from Standard and Poor's Corporation. This bond rating is a clear indication of the sound financial condition of Vance County. This achievement is a primary factor in keeping borrowing costs low when the County issues debt.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin Vance County is \$217,346,917.

Additional information regarding Vance County's long-term debt can be found in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the current economic condition of Vance County:

- The local economy continues to recover from the latest recession although at a slower rate than other areas of North Carolina. Unemployment rates have continued to decline or hold steady most months. As of June 2021, the unemployment rate was 8.1% compared to 11.50% for the same period in the prior year.
- Vance County has two industrial parks with remaining capacity to attract new industry, including the expansion of the Henderson-Vance Industrial Park. The county continues to have interest in constructing a speculative shell building within the Industrial Park.
- As of January 1, 2021 the sales assessment ratio of real property was 78.8. This follows a revaluation of all real property in the county in 2016.
- Sales tax distributions, which are a major source of revenue for the county increased by 7% over the prior fiscal year. Overall, sales tax revenues have increased by 24% from fiscal year 2011-12 to fiscal year 2020-2021.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities: The ad valorem tax rate remains at 89.0 cents per \$100.00. Ad valorem tax revenues are expected to increase modestly over the prior fiscal year. The fire tax rate remains the same at 8.9 cents per \$100.00 and since fiscal year 2021 has provided additional funding for volunteer departments to staff two part-time positions to assist with response times. Sales tax collections are projected to increase by only 4%. ABC revenue distributions to the county from the local ABC Board are expected to remain the same. The County continues to appropriate fund balance on an annual basis to be used for critical building maintenance and other one-time capital outlay needs during the fiscal year. These expenditures have been covered by recurring revenues in recent years and fund balance. Remaining revenue sources are projected to remain fairly constant compared to prior year amounts. The County expects to be able to provide services at the same level as the prior year.

VANCE COUNTY, NORTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS

Budgeted expenditures in the General Fund are expected to increase by approximately 3% to \$51,655,000 from the original fiscal year 2020-21 budget. The overall increase is related to a few large items in the budget. These include \$600,000 for a 4% cost of living adjustment for all departments. The budget addresses board goals for the coming year through providing full year funding for a 24/72 schedule and a community paramedic position in EMS and through reserving necessary funds in the economic development fund to construct a shell building which will contribute to future jobs and investment in the county and the addition of a new EMS shift which added 9 new positions. This will help our EMS feel more rested and able to serve the citizens better.

Business-type Activities: The solid waste user household fee will increase to \$120.00 per household. The solid waste budget is increasing due to contractual CPI adjustments, increased trash disposal amounts and increasing costs related to managing the solid waste sites and transporting waste. Another major impact is the increasing cost to dispose tires coupled with a significant reduction in state grant money to offset the cost. The Water Fund is expected to remain relatively level with no increase in the water usage rate for customers.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Vance County, 122 Young Street, Suite B, Henderson, NC 27536. You can also call 252-738-2006, visit our website www.vancecounty.org or send an email to kbigelow@vancecounty.org for more information.

BASIC FINANCIAL STATEMENTS

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

	Primary Government			Component Units		
	Governmental Activities	Business Type Activities	Total Primary Government	Vance ABC Board	Vance Tourism Development Authority	Total Reporting Unit
ASSETS						
Cash and cash equivalents	\$ 35,105,953	\$ 1,177,071	\$ 36,283,024	\$ 1,419,585	\$ 956,879	\$ 38,659,488
Receivables (net):						
Property Taxes	1,250,005	-	1,250,005	-	-	1,250,005
Accounts	2,016,978	458,366	2,475,344	-	2,619	2,477,963
Notes	2,100	-	2,100	-	-	2,100
Interest	121,929	-	121,929	-	-	121,929
Inventories	-	-	-	368,605	-	368,605
Due from other governments	429,735	43,724	473,459	-	-	473,459
Internal balances	-	-	-	-	-	-
Prepaid items	-	-	-	6,666	-	6,666
Restricted assets:						
Cash and cash equivalents	3,342,911	442,542	3,785,453	-	-	3,785,453
Net Pension Asset	76,489	-	76,489	-	-	76,489
Capital assets:						
Land, improvements, and construction in process	8,666,534	899,344	9,565,878	192,898	461,267	10,220,043
Other capital assets, net of depreciation	14,307,063	14,941,782	29,248,845	463,199	-	29,712,044
Total Capital assets	22,973,597	15,841,126	38,814,723	656,097	461,267	39,932,087
Total assets	65,319,697	17,962,829	83,282,526	2,450,953	1,420,765	87,154,244
DEFERRED OUTFLOWS OF RESOURCES						
Pension deferrals	4,164,915	12,747	4,177,662	104,262	25,682	4,307,606
OPEB deferrals	4,420,605	16,417	4,437,022	63,197	14,437	4,514,656
Total deferred outflows of resources	8,585,520	29,164	8,614,684	167,459	40,119	8,822,262
LIABILITIES						
Accounts payable and accrued liabilities	1,841,223	309,729	2,150,952	259,919	7,143	2,418,014
Taxes Payable	-	-	-	115,852	-	115,852
Accrued Expense	-	-	-	11,703	-	11,703
Unspent Grant Proceeds	4,325,201	-	4,325,201	-	-	4,325,201
Accrued interest	201,126	30,793	231,919	-	-	231,919
Distribution Payable	-	-	-	147	-	147
Due to other governments	19,986	-	19,986	-	-	19,986
Customer deposits	-	74,196	74,196	-	-	74,196
Long-term liabilities:						
Due within one year						
Long-term debt	2,152,500	217,688	2,370,188	-	-	2,370,188
Due in more than one year						
Accrued post closure liability	-	890,828	890,828	-	-	890,828
Long-term debt	17,617,284	11,039,627	28,656,911	-	-	28,656,911
Compensated absences	1,241,147	-	1,241,147	36,880	14,845	1,292,872
Net Pension Liability- LGERS	6,795,984	23,185	6,819,169	114,350	46,711	6,980,230
Total Pension Liability- LEOSSA	1,426,855	-	1,426,855	342,708	-	1,769,563
Total OPEB Liability	20,309,260	75,423	20,384,683	-	74,995	20,459,678
Total liabilities	55,930,566	12,661,469	68,592,035	881,559	143,694	69,617,288
DEFERRED INFLOWS OF RESOURCES						
Prepaid taxes	202,654	-	202,654	-	-	202,654
Note receivable	2,100	-	2,100	-	-	2,100
Pension deferrals	400,937	28,119	429,056	-	2,515	431,571
OPEB deferrals	7,235,551	-	7,235,551	20,322	26,110	7,281,983
Total deferred outflows of resources	7,841,242	28,119	7,869,361	20,322	28,625	7,918,308
NET POSITION						
Net investment in capital assets	5,846,296	4,583,811	10,430,107	656,097	461,267	11,547,471
Restricted:						
Stabilization by State Statute	2,516,235	-	2,516,235	-	2,619	2,518,854
General Government	385,416	-	385,416	-	-	385,416
Human Services	112,646	-	112,646	-	-	112,646
Education	2,927,374	-	2,927,374	-	-	2,927,374
Economic Development	1,069,087	-	1,069,087	-	-	1,069,087
Public Safety	654,709	-	654,709	-	-	654,709
Working Capital	-	-	-	171,736	-	171,736
Unrestricted	(3,378,354)	718,594	(2,659,760)	888,698	824,679	(946,383)
Total net position	\$ 10,133,409	\$ 5,302,405	\$ 15,435,814	\$ 1,716,531	\$ 1,288,565	\$ 18,440,910

Vance County, North Carolina
Statement of Activities
For the Fiscal Year Ended June 30, 2021

	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Vance ABC Board	Vance Tourism Development Authority	Total Reporting Unit
				Governmental Activities	Business-type Activities			
Functions/Programs								
Primary government:								
Government activities:								
General government	\$ 4,703,801	\$ 1,048,033	\$ -	\$ (3,655,768)	\$ -	\$ -	\$ -	\$ (3,655,768)
Public safety	18,195,030	2,724,430	2,214,605	(13,255,995)	-	-	-	(13,255,995)
Economic and physical development	2,583,267	32,255	2,004,756	(546,256)	-	-	-	(546,256)
Environmental Protection	18,900	27,972	-	9,072	-	-	-	9,072
Transportation	51,882	-	-	(51,882)	-	-	-	(51,882)
Human services	11,453,393	6,011	6,379,800	(5,067,332)	-	-	-	(5,067,332)
Cultural and recreational	1,987,261	72,843	707,392	(1,207,026)	-	-	-	(1,207,026)
Education	10,248,354	-	65,353	(9,798,225)	-	-	-	(9,798,225)
Interest on debt	364,100	-	-	(364,100)	-	-	-	(364,100)
Total governmental activities	49,605,988	3,911,544	11,371,906	(33,937,512)	-	-	-	(33,937,512)
Business-type activities:								
Water	1,349,043	1,234,469	-	-	(39,466)	-	-	(39,466)
Landfill	2,519,251	2,374,130	109,196	-	(35,925)	-	-	(35,925)
Total business-type activities	3,868,294	3,608,599	109,196	-	(75,391)	-	-	(75,391)
Total primary government	53,474,282	7,520,143	11,481,102	(33,937,512)	(75,391)	-	-	(34,012,903)
Component units:								
Vance ABC Board	\$ 5,650,429	\$ 5,755,197	\$ -	\$ -	\$ -	104,768	-	104,768
Vance County TDA	249,961	-	-	-	-	-	(249,961)	(249,961)
Total component units	5,900,390	5,755,197	-	-	-	104,768	(249,961)	(145,193)
General Revenues:								
Taxes:								
Ad valorem taxes				27,295,262	-	-	-	27,295,262
Local option sales tax				12,752,665	-	-	-	12,752,665
Other taxes				76,708	-	-	341,235	417,943
Unrestricted intergovernmental				508,796	-	-	9,760	518,556
Investment income				7,381	112	-	26	7,519
Gain/Loss of sale/disposal of assets				(2,259)	-	-	-	(2,259)
Miscellaneous				286,865	-	-	2,060	288,925
Transfers				-	-	-	-	-
Total general revenues and transfers				40,925,418	112	-	353,081	41,278,611
Change in net position				6,987,906	(75,279)	104,768	103,120	7,120,515
Net position - beginning, as previously reported				3,037,454	5,377,684	1,611,763	1,185,445	11,212,346
Restatement				108,049	-	-	-	108,049
Net position - beginning, as restated				3,145,503	5,377,684	1,611,763	1,185,445	11,320,395
Net position - ending				10,133,409	5,302,405	1,716,531	1,288,565	18,440,910

The Notes to the Financial Statements are an Integral Part of this Statement.

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

	Major		Non-Major	Total
	General	Capital Project Fund	Other Governmental Funds	Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 26,344,701	\$ 6,882,336	\$ 1,878,916	\$ 35,105,953
Restricted cash	415,537	-	2,927,374	3,342,911
Receivables (net):				-
Taxes	1,165,795	-	84,210	1,250,005
Accounts	1,914,785	32,782	69,411	2,016,978
Due from other governments	276,556	84,887	68,292	429,735
Due from other funds	67,422	-	-	67,422
Grants Receivable	-	-	-	-
Note receivable	-	-	2,100	2,100
Total assets	<u>\$ 30,184,796</u>	<u>\$ 7,000,005</u>	<u>\$ 5,030,303</u>	<u>\$ 42,215,104</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,800,850	\$ -	\$ 40,373	\$ 1,841,223
Unspent Grant Proceeds	-	4,325,201	-	4,325,201
Due to other funds	1,933	-	65,489	67,422
Due to other governments	19,986	-	-	19,986
Total liabilities	<u>1,822,769</u>	<u>4,325,201</u>	<u>105,862</u>	<u>6,253,832</u>
DEFERRED INFLOWS OF RESOURCES				
Prepaid Taxes	202,654	-	-	202,654
Taxes receivable	1,165,795	-	84,211	1,250,006
Note receivable	-	-	2,100	2,100
Total deferred inflows of resources	<u>1,368,449</u>	<u>-</u>	<u>86,311</u>	<u>1,454,760</u>
Fund balances:				
Restricted				
Stabilization by State Statute	2,258,763	117,669	139,803	2,516,235
Capital Projects - Schools	-	-	2,927,374	2,927,374
Human Services	-	-	112,646	112,646
Public Safety	-	-	654,709	654,709
Tax revaluation	383,557	-	-	383,557
Community Development	-	-	1,069,087	1,069,087
Facility Improvements	1,859	-	-	1,859
Committed				
LEOSSA Pension and OPEB benefits	311,588	-	-	311,588
Facility Improvements	-	2,557,135	-	2,557,135
Animal Shelter	31,980	-	-	31,980
Assigned				
Subsequent year's expenditures	1,994,887	-	-	1,994,887
Unassigned	22,010,944	-	(65,489)	21,945,455
Total fund balances	<u>26,993,578</u>	<u>2,674,804</u>	<u>4,838,130</u>	<u>34,506,512</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 30,184,796</u>	<u>\$ 7,000,005</u>	<u>\$ 5,030,303</u>	<u>\$ 42,215,104</u>

VANCE COUNTY, NORTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
June 30, 2021

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

Total fund balance - governmental funds	\$ 34,506,512
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	44,147,243
Less accumulated depreciation	(21,173,646)
Net capital assets	22,973,597
Net pension asset (Register of Deeds)	76,489
Deferred outflows of resources:	
Contributions to the pension plan in the current fiscal year	
LGERS	1,405,336
Register of Deeds	3,347
OPEB contributions in the current year	419,919
Benefit payment and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	9,485
Pension related deferrals	
LGERS	2,331,099
ROD	8,637
LEOSSA	407,011
OPEB related deferrals	4,000,686
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	121,929
Deferred inflows of resources reported in the government-wide statements but not in the fund statements:	
Deferred inflows of resources for taxes receivable	1,250,006
Pension related deferrals	
LGERS	(365,931)
ROD	(15,363)
LEOSSA	(19,643)
OPEB related deferrals	(7,235,551)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leasing, and installment financing	(19,769,784)
Compensated absences	(1,241,147)
Total OPEB Liability	(20,309,260)
Total pension liability - LEOSSA	(1,426,855)
Net pension liability - LGERS	(6,795,984)
Accrued interest payable	(201,126)
Total adjustment	(24,373,103)
Net position of governmental activities	\$ 10,133,409

Vance County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021

	Governmental Fund Types			
	Major		Non-Major	Total
	General Fund	Capital Project Fund	Other Governmental Funds	
Revenues				
Ad valorem taxes	\$ 25,792,196	\$ -	\$ 1,723,576	\$ 27,515,772
Local option sales taxes	12,752,665	-	-	12,752,665
Other taxes and licenses	76,708	-	-	76,708
Unrestricted intergovernmental	508,796	-	-	508,796
Restricted intergovernmental	8,611,033	889,560	2,893,180	12,393,773
Sales and services	3,274,703	-	-	3,274,703
Investment earnings	7,091	39	251	7,381
Miscellaneous	286,866	-	-	286,866
Total revenues	<u>51,310,058</u>	<u>889,599</u>	<u>4,617,007</u>	<u>56,816,664</u>
Expenditures				
Current:				
General government	4,952,139	-	-	4,952,139
Public safety	14,242,268	6,004,858	2,238,405	22,485,531
Transportation	28,750	-	-	28,750
Environmental protection	18,900	-	-	18,900
Economic and physical development	1,082,170	-	1,460,456	2,542,626
Human services	10,970,014	-	139,490	11,109,504
Cultural and recreational	1,957,813	-	-	1,957,813
Education	10,248,354	-	-	10,248,354
Debt service:				
Principal retirement	1,739,683	-	-	1,739,683
Interest and fees	327,772	-	-	327,772
Total expenditures	<u>45,567,863</u>	<u>6,004,858</u>	<u>3,838,351</u>	<u>55,411,072</u>
Revenues over (under) expenditures	<u>5,742,195</u>	<u>(5,115,259)</u>	<u>778,656</u>	<u>1,405,592</u>
Other financing sources (uses):				
Transfers in	2,759,776	486,305	2,932,655	6,178,736
Transfers out	(3,778,076)	(250,000)	(2,150,660)	(6,178,736)
Proceeds from issuance of debt	7,435,000	7,000,000	-	14,435,000
Principal Retirement - Refinancing	(7,386,000)	-	-	(7,386,000)
Proceeds from lease obligations	223,265	-	-	223,265
Contingency	(54,193)	-	-	(54,193)
Sale of fixed assets	21,191	-	-	21,191
Total other financing sources (uses)	<u>(779,037)</u>	<u>7,236,305</u>	<u>781,995</u>	<u>7,239,263</u>
Net Change in Fund Balance	4,963,158	2,121,046	1,560,651	8,644,855
Fund balances, beginning, as previously reported	22,030,420	553,758	3,169,430	25,753,608
Prior Period Restatement - change in accounting principle	<u>-</u>	<u>-</u>	<u>108,049</u>	<u>108,049</u>
Fund balances, beginning, as restated	<u>22,030,420</u>	<u>553,758</u>	<u>3,277,479</u>	<u>25,861,657</u>
Fund balances, end of year	<u>\$ 26,993,578</u>	<u>\$ 2,674,804</u>	<u>\$ 4,838,130</u>	<u>\$ 34,506,512</u>

VANCE COUNTY, NORTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

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

Net change in fund balance - total governmental funds	\$ 8,644,855
Capital Outlay Expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	6,818,119
Depreciation Expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(1,208,714)
Gain on Disposal of assets during the year.	(23,450)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	
LGERS	1,405,336
ROD	3,347
Benefit payment and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	9,485
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	419,919
New debt issued during the year is recorded as a source of funds on the fund statements; it has not effect on the statement of activities -- it affects only the government-wide statement of net position.	(14,658,265)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements.	9,125,683
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	(36,328)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	(235,280)
Pension expense	
LGERS	(2,223,114)
ROD	2,024
LEOSSA	(157,243)
OPEB plan expense	(677,958)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Increase (decrease) in deferred inflows of resources - taxes receivable - at year end	(221,286)
Increase (decrease) in accrued interest receivable at year end	776
Change in net position of governmental activities	\$ <u><u>6,987,906</u></u>

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

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Ad valorem taxes	\$ 24,986,550	\$ 24,986,550	\$ 25,792,196	\$ 805,646
Local option sales tax	9,110,291	9,110,291	12,752,665	3,642,374
Other taxes and licenses	50,750	50,750	76,708	25,958
Unrestricted intergovernmental	352,000	352,000	508,796	156,796
Restricted intergovernmental	8,606,995	8,616,895	8,567,707	(49,188)
Sales and services	3,653,772	3,653,772	3,274,703	(379,069)
Investment earnings	300,000	300,000	6,961	(293,039)
Miscellaneous	76,021	76,021	286,866	210,845
Total revenues	<u>47,136,379</u>	<u>47,146,279</u>	<u>51,266,602</u>	<u>4,120,323</u>
Expenditures				
Current:				
General government	5,693,067	5,693,067	4,927,499	765,568
Public safety	15,764,206	15,764,206	14,242,268	1,521,938
Transportation	28,750	28,750	28,750	-
Environmental protection	47,500	47,500	18,900	28,600
Economic and physical development	1,236,306	1,236,306	1,082,170	154,136
Human services	12,720,775	12,730,675	10,970,014	1,760,661
Cultural and recreational	1,459,880	1,459,880	1,957,813	(497,933)
Intergovernmental:				
Education	10,248,358	10,248,358	10,248,354	4
Debt service:				
Principal retirement	451,023	451,023	407,923	43,100
Interest and other charges	39,175	39,175	35,262	3,913
Total expenditures	<u>47,689,040</u>	<u>47,698,940</u>	<u>43,918,953</u>	<u>3,779,987</u>
Revenues over (under) expenditures	<u>(552,661)</u>	<u>(552,661)</u>	<u>7,347,649</u>	<u>7,900,310</u>
Other financing sources (uses):				
Transfers to other funds	(3,312,070)	(3,312,070)	(3,751,368)	(439,298)
Transfers from other funds	1,111,378	1,111,378	1,079,511	(31,867)
Proceeds from lease obligation	695,922	695,922	223,265	(472,657)
Proceeds from issuance of debt	-	-	7,435,000	7,435,000
Principal Retirement - Refinancing	-	-	(7,386,000)	(7,386,000)
Sale of fixed assets	40,000	40,000	21,191	(18,809)
Contingency	(144,700)	(144,700)	(54,193)	90,507
Appropriated fund balance	2,162,131	2,162,131	-	(2,162,131)
Total other financing sources (uses)	<u>552,661</u>	<u>552,661</u>	<u>(2,432,594)</u>	<u>(2,985,255)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	4,915,055	\$ <u>4,915,055</u>
Fund balance, beginning			<u>21,380,978</u>	
Fund balance, ending			\$ <u>26,296,033</u>	

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

General fund balance, ending	\$ 26,296,033
A legally budgeted Tax Reassessment Fund is consolidated into the General Fund for reporting purposes:	
Investment Earnings	42
Transfer in	48,000
Expenditures	-
Fund Balance, beginning	335,515
A legally budgeted Debt Service Fund is consolidated into the General Fund for reporting purposes:	
Investment Earnings	7
Transfer in	284,408
Transfer out	(8,002)
Expenditures	(276,413)
Fund Balance, beginning	541
A legally budgeted School Debt Service Fund is consolidated into the General Fund for reporting purposes:	
Transfer in General Fund	1,347,857
Expenditures	(1,347,857)
Fund Balance, beginning	-
A legally budgeted Facility Fees Fund is consolidated into the General Fund for reporting purposes:	
Restricted intergovernmental	43,326
Investment Earnings	21
Transfer out	(18,706)
Expenditures	(24,640)
Fund Balance, beginning	1,858
A legally budgeted LEOSA Fund is consolidated into the General Fund for reporting purposes:	
Investment Earnings	60
Fund Balance, beginning	311,528
	<hr/>
Fund Balance, ending (Exhibit 4)	\$ <u>26,993,578</u>

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

	Solid Waste Fund	Water Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 24,096	\$ 1,152,975	\$ 1,177,071
Accounts Receivable (net)	234,661	223,705	458,366
Due from other governments	3,118	40,606	43,724
Total current assets	<u>261,875</u>	<u>1,417,286</u>	<u>1,679,161</u>
Noncurrent assets:			
Restricted cash and investments	-	442,542	442,542
Capital Assets:			
Land	882,864	16,480	899,344
Construction in process	-	-	-
Building and improvements	464,010	-	464,010
Water distribution system	-	16,502,085	16,502,085
Vehicles and equipment	248,047	-	248,047
Less accumulated depreciation	<u>(242,239)</u>	<u>(2,030,121)</u>	<u>(2,272,360)</u>
Capital assets, net	<u>1,352,682</u>	<u>14,488,444</u>	<u>15,841,126</u>
Total noncurrent assets	<u>1,352,682</u>	<u>14,930,986</u>	<u>16,283,668</u>
Total assets	<u>\$ 1,614,557</u>	<u>\$ 16,348,272</u>	<u>\$ 17,962,829</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	\$ 12,747	\$ -	\$ 12,747
OPEB deferrals	<u>16,417</u>	<u>-</u>	<u>16,417</u>
Total deferred outflows of resources	<u>29,164</u>	<u>-</u>	<u>29,164</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	219,444	90,285	309,729
Accrued interest payable	-	30,793	30,793
Current maturities of long-term debt	-	217,688	217,688
Total current liabilities	<u>219,444</u>	<u>338,766</u>	<u>558,210</u>
Long-term liabilities:			
Accrued landfill closure and post closure	890,828	-	890,828
General obligation bonds payable	-	10,834,312	10,834,312
Installment purchase agreements payable	-	205,315	205,315
Net pension liability	23,185	-	23,185
Total OPEB liability	75,423	-	75,423
Customer deposits	-	74,196	74,196
Total noncurrent liabilities	<u>989,436</u>	<u>11,113,823</u>	<u>12,103,259</u>
Total liabilities	<u>1,208,880</u>	<u>11,452,589</u>	<u>12,661,469</u>
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	1,248	-	1,248
OPEB deferrals	<u>26,871</u>	<u>-</u>	<u>26,871</u>
Total deferred inflows of resources	<u>28,119</u>	<u>-</u>	<u>28,119</u>
NET POSITION			
Net investment in capital assets	1,352,682	3,231,129	4,583,811
Restricted	-	368,346	368,346
Unrestricted	<u>(945,960)</u>	<u>1,296,208</u>	<u>350,248</u>
Total net position	<u>\$ 406,722</u>	<u>\$ 4,895,683</u>	<u>\$ 5,302,405</u>

Vance County, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2021

	Solid Waste Fund	Water Fund	Total
Operating revenues:			
Charges for services	\$ 2,351,833	\$ 1,234,469	\$ 3,586,302
Other operating revenues	22,297	-	22,297
Total operating revenues	<u>2,374,130</u>	<u>1,234,469</u>	<u>3,608,599</u>
Operating expenses:			
Cost of operations	2,558,593	634,746	3,193,339
Landfill closure and post closure care costs	(79,572)	-	(79,572)
Depreciation and amortization	40,230	380,821	421,051
Total operating expenses	<u>2,519,251</u>	<u>1,015,567</u>	<u>3,534,818</u>
Operating income (loss)	<u>(145,121)</u>	<u>218,902</u>	<u>73,781</u>
Nonoperating revenues (expenses):			
Investment earnings	-	112	112
Federal, state, and local grants	6,486	75,108	81,594
Intergovernmental taxes and other revenues	102,710	-	102,710
Capital contributions	-	-	-
Interest and other charges	-	(333,476)	(333,476)
Total nonoperating revenues (expenses)	<u>109,196</u>	<u>(258,256)</u>	<u>(149,060)</u>
Income (loss) before transfers and contributions	<u>(35,925)</u>	<u>(39,354)</u>	<u>(75,279)</u>
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>(35,925)</u>	<u>(39,354)</u>	<u>(75,279)</u>
Total net position, beginning	442,647	4,935,037	5,377,684
Total net position, ending	<u>\$ 406,722</u>	<u>\$ 4,895,683</u>	<u>\$ 5,302,405</u>

Vance County, North Carolina
Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2021

	Solid Waste Fund	Water Fund	Total
Cash Flows From Operating Activities			
Cash received from customers	\$ 2,380,964	\$ 1,192,312	\$ 3,573,276
Cash paid for goods and services	(2,495,854)	(667,293)	(3,163,147)
Cash paid to employees for services	(57,904)	-	(57,904)
Other operating revenues	22,297	-	22,297
Net cash provided by (used in) operating activities	(150,497)	525,019	374,522
Cash Flows From Noncapital Financing Activities			
Transfers to other funds			
Transfers from other funds	-	-	-
Net cash provided by (used in) financing activities	-	-	-
Cash Flows From Capital and Related Financing Activities			
Capital contributions - Federal, state and local grants	6,486	75,108	81,594
Intergovernmental taxes and fees	102,710	-	102,710
Interest and bond issuance costs	-	(334,030)	(334,030)
Acquisition of capital assets	(385,183)	(120,259)	(505,442)
Issuance of debt	-	-	-
Repayment of debt obligations	-	(211,687)	(211,687)
Net cash provided by (used in) capital and related financing activities	(275,987)	(590,868)	(866,855)
Cash Flows From Investing Activities			
Investment Income	-	112	112
Net cash provided by (used in) investing activities	-	112	112
Net increase (decrease) in cash and cash equivalents/investments	(426,484)	(65,737)	(492,221)
Cash and cash equivalents/investments			
Beginning of year	450,580	1,661,254	2,111,834
End of year	\$ 24,096	\$ 1,595,517	\$ 1,619,613

Vance County, North Carolina
Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2021

	Solid Waste Fund	Water Fund	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (145,121)	\$ 218,902	\$ 73,781
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and Amortization	40,230	380,821	421,051
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	29,131	(40,880)	(11,749)
(Increase) decrease in deferred outflows of resources for pensions	(1,443)	-	(1,443)
(Increase) in deferred outflows of resources for OPEB	(10,606)	-	(10,606)
Increase (decrease) in accounts payable and accrued liabilities	6,417	(32,547)	(26,130)
Increase (decrease) in deferred inflows of resources for pensions	748	-	748
Increase (decrease) in deferred inflows of resources for OPEB	14,022	-	14,022
Increase (decrease) in customer deposits	-	(1,277)	(1,277)
Increase (decrease) in net pension liability	3,484	-	3,484
Increase (decrease) in accrued post closure liability	(79,572)	-	(79,572)
Compensated absences payable	(5,329)	-	(5,329)
Increase (decrease) in OPEB liability	(2,458)	-	(2,458)
Total adjustments	(5,376)	306,117	300,741
Net cash provided by (used in) operating activities	\$ (150,497)	\$ 525,019	\$ 374,522

Vance County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	\$ 35,603
Taxes receivable for other governments, net	<u>283,615</u>
Total assets	<u>319,218</u>
LIABILITIES	
Accounts payable	-
Due to other governments	<u>-</u>
Total liabilities	<u>-</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	<u>319,218</u>
Total fiduciary net position	<u><u>\$ 319,218</u></u>

Vance County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Custodial Funds
ADDITIONS	
Ad valorem taxes for other governments	\$ 6,854,832
Collections on behalf of inmates	272,864
Total additions	<u>7,127,696</u>
DEDUCTIONS	
Tax distributions to other governments	6,929,018
Payments on behalf of inmates	237,261
Total deductions	<u>7,166,279</u>
Net increase (decrease) in fiduciary net position	(38,583)
Net position, beginning, as previously reported	-
Prior period restatement - change in accounting principle	<u>357,801</u>
Net position, beginning, as restated	<u>357,801</u>
Net position, ending	<u><u>\$ 319,218</u></u>

COUNTY OF VANCE, NORTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

Note 1: Summary of Significant Accounting Policies

The accounting policies of the County of Vance, North Carolina and its component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

Component Unit		Reporting Method	Criteria for Inclusion	Separate Financial Statements
Vance County- Water District		Blended	Under State law (NCGS 162-A-89), the County's board of commissioners also serve as the governing board for the District.	None issued
Vance County- ABC Board		Discrete	The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County.	Vance County ABC Board PO Box 1417 Henderson NC, 27536
Vance County Tourism Development Authority		Discrete	The Authority exists to promote travel and tourism within the County. The members of the Tourism Authority's Board are appointed by the County.	Vance County Tourism Development Authority 943 Andrews Ave. Henderson , NC 27536
Vance County Industrial Facility and Pollution Control Financing Authority		Discrete	The Financing Authority is governed by a seven member board of commissioners that is appointed by the County commissioners. The County can remove any commissioner of the Authority with or without a cause.	None issued

The County, which is governed by a seven-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. The blended component unit, although it is a legally separate entity, is, in substance, part of the County's operations. The discretely presented component units presented below are reported in separate columns in the County's combined financial statements in order to emphasize that they are legally separate from the County.

The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements.

Vance County Water District exists to provide and maintain water systems for the County residents within the district. The District is reported as an enterprise fund in the County's financial statements. The blended presentation method presents component units as a department or unit of the County, and it offers no separate presentation as within the discrete method.

B. Basis of Presentation – Basis of Accounting

Government-wide Statements : The statement of net position and the statement of activities display information about the primary government net position (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

The County reports the following major governmental funds:

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

The County reports the following major enterprise funds:

Solid Waste Fund - This fund is used to account for the operations, maintenance and development of the County's landfill and various disposal sites.

Water Fund - This fund accounts for the development and operations of the new water systems within the Vance County Water District.

The County reports the following fund types:

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

Note 1- Summary of significant accounting policies (continued)

B. Basis of Presentation – Basis of Accounting (continued)

The County reports the following fund types:

Non-major Funds. The County maintains six legally budgeted funds. The Emergency Telephone Systems Fund, Fire District Fund, the Economic Development Fund, Neighborhood Stabilization Program Fund, and the Representative Payee Fund are reported as non-major special revenue funds. The School Capital Reserve Fund is consolidated into the School Capital Projects Fund in accordance with GASB Statement No. 54.

Measurement Focus, Basis of Accounting

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Note 1- Summary of significant accounting policies (continued)

B. Basis of Presentation – Basis of Accounting (continued)

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General, Emergency Telephone, Facilities Fees Fund, Revaluation Fund, Fire District Fund, and the Enterprise Funds. All annual appropriations lapse at the fiscal year end.

Project ordinances are adopted for the project and grant funds. The Enterprise Capital Projects Fund is consolidated with the enterprise operating funds for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for the multi-year funds. Expenditures may not exceed appropriations at the fund level for the enterprise fund. Amendments are required for any appropriations that alter total expenditures of any fund or that change departmental appropriations by more than \$5,000. All revisions to the budget and transfer appropriations must be approved by the governing board. During the year, several amendments to the original budget were necessary, the effects of which were not material. The budget ordinance must be adopted by July 1 of the fiscal year or the governing body must adopt an interim budget that covers the time until the annual ordinance can be adopted. A budget calendar is included in the North Carolina General Statutes, which prescribes the last day on which certain steps of the budget procedure are to be performed. The following schedule lists the task to be performed and the date by which each is required to be completed.

A budget calendar is included in the North Carolina General Statutes, which prescribes the last day on which certain steps of the budget procedure are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed.

April 30 - Each department head will transmit to the budget officer the budget requests and revenue estimates for their department for the budget year.

June 1 - The budget and the budget message shall be submitted to the governing board. The public hearing on the budget should be scheduled at this time.

July 1 - The budget ordinance shall be adopted by the governing board.

As required by the State law [G.S. 159-26(d)], the County maintains encumbrances accounts, which are considered to be "budgetary accounts". Encumbrances outstanding at year-end represents the estimated amounts of the expenditures ultimately to result if unperformed contracts in progress at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. The County has no encumbrances outstanding at year-end and any unencumbered appropriations lapse at year-end.

Note 1- Summary of significant accounting policies (continued)

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

Deposits and Investments

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

Note 1- Summary of significant accounting policies (continued)**D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Fund Equity (continued)**

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

The majority of the County, the Tourism Development Authority, and the ABC Board's investments are carried at fair value. Non-participating interest earnings investment contracts are accounted for at cost. The North Carolina Capital Management Trust (NCCMT) is a SEC registered money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund which invests in treasuries and governmental agencies and is rated AAAM by S&P and AAmf by Moody Muester Services. The Government and Term Portfolios are reported at fair value.

Cash and cash equivalents

The County pools monies from several funds to facilitate disbursements and investments and maximize investments income. Investment earnings are allocated to all funds based on the cash balance outstanding at the end of the month. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board considers all highly liquid investments (including restricted assets) with an original maturity of three months or less to be cash and cash equivalents, and records them at cost. The funds of the Tourism Development Authority are pooled with those of the County.

Restricted assets

Unexpended loan and bond anticipation note proceeds are classified as restricted assets on the balance sheet because their use is completely restricted to the purpose for which the loans and bonds were originally issued. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit is collected. Money in the Tax Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. Money in the School Capital Projects Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 159-18 through 22.

Restricted Cash

Governmental Activities		
Tax Revaluation Fund	Tax revaluation	\$ 383,557
General Fund	Animal Shelter	31,980
School Capital Projects Fund	Unexpended Public School Building funds	2,927,374
Total Governmental Activities		<u>3,342,911</u>
Business-Type Activities		
Water Fund	Customer deposits	74,196
Water Fund	USDA Reserve debt service	368,346
Total Business-type Activities		<u>442,542</u>
Total Restricted Cash		<u><u>\$ 3,785,453</u></u>

Ad Valorem Taxes Receivable

In accordance with State law (G.S. 105-347 and G.S. 159-13(a)), the County levies ad valorem taxes other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2020.

Note 1- Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Fund Equity (continued)

Allowance for Doubtful Accounts

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

Inventories and Prepaid Items

The inventory of the ABC Board is valuable at the lower cost (FIFO) or market, and consists of products held for consumption or resale. The cost of this inventory is charged to cost of sales or operating expenses as the inventory is sold or consumed. Occasionally, certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of the donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The minimum capitalization costs are \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets' lives are not capitalized.

The County holds title to certain Vance County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sale tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of facilities, and provide the County will convey title to the property back to the Board of Education once all restrictions of the financing agreements and all sales tax reimbursements have been met. The properties are reflected as capital assets in the financial statements of the Vance County Board of Education.

Any interest incurred during the construction phase of proprietary fund type capital assets is reflected in the capitalized value of the asset constructed. Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Estimated Useful Lives</u>
Furniture and office equipment	7 years
Computer equipment and software	5 years
Building	40 years
Improvements	15-40 years
Water distribution systems	40 years
Automobiles and trucks	5 years

Property, plant and equipment of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

<u>Description</u>	<u>Estimated Useful Lives</u>
Buildings	30 years
Furniture and equipment	5-15 years
Leasehold Improvements	10-15 years

Note 1- Summary of Significant Accounting Policies (continued)

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has two items that meets this criterion - pension related deferrals, and unrelated deferrals. In addition to liabilities, the statement of financial position can also 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 County has four items that meet the criterion for this category - prepaid taxes, property taxes receivable, other pension related deferrals, and OPEB related deferrals.

Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financial sources.

Compensated Absences

The vacation policies of the County, the ABC Board, and the Tourism Development Authority provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the County's government-wide and proprietary funds, the ABC Board, and the Tourism Development Authority, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The sick leave policies of the County, ABC Board, and the Tourism Development Authority provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service of retirement benefit purposes. Since neither entity has any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made.

Net Position/Fund Balances

Net Position

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

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 balance 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. The County does not report any nonspendable fund balance.

Note 1- Summary of significant accounting policies (continued)

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Fund Equity (continued)

Net Positions/Fund Balance (continued)

Fund Balances

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

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

Restricted for Facility improvements - portion of fund balance that is restricted by revenue source to pay for the facility enhancements.

Restricted Tax Revaluation- portion of fund balance that is restricted by revenue source for tax revaluation expenditures.

Restricted for Public Safety- portion of fund balance that is restricted by revenue source for emergency service expenditures.

Restricted for Community Development - portion of fund balance that is restricted by revenue source for economic development expenditures.

Restricted for School Capital Projects - portion of fund balance that is restricted by revenue source for community development expenditures.

Restricted for Human Services - portion of fund balance that can only be used to benefit beneficiaries under the Social Security's Representative Payee Program.

Committed Fund Balance - Portion of fund balance that can only be used for specific purpose imposed by majority vote of Vance County's governing body (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by governing body.

Committed for LEO pension and OPEB obligation-portion of fund balance that will be used for the Law Enforcement Officers' Special Separation Allowance and other Post-Employment Benefit obligations.

Committed for Animal Shelter-portion of fund balance that will be used for the Animal Shelter expenditures.

Committed for facility improvements - portion of fund balance that is committed to pay for facility enhancements.

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

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

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

Note 1- Summary of significant accounting policies (continued)

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Fund Equity (continued)

Defined Benefit Pension Plans

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

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

Note 2 – Stewardship, Compliance, and Accountability

Excess of Expenditures Over Appropriations

Vance County Housing Authority	\$	243,188
Libraries	\$	578,034

These deficit fund balances are due to netting the revenue amounts with the expenditures in their budget.

For fiscal year 2022, the County will separate their revenues and expenditures in those budgets.

The County should have established budgets for the three new special revenue funds (Deed of Trust, Fines and Forfeitures, and Representative Payee Fund) created as a result of the implementation of GASB 84. As a result of not adopting a budget, expenditures were made that were not properly authorized. This was a new standard, so it was simply an oversight by the County. They are now aware of the requirement, and will adopt budgets accordingly.

Note 3 – Detail Notes on All Funds

1 ASSETS

1. Deposits

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

Note 3 – Detail Notes on All Funds

1 ASSETS

1. Deposits

The County has no formal policy regarding custodial credit risk. The State Treasurer enforces standards of minimum capitalization for all pooling method financial situations. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County and Tourism Development Authority adopted a policy regarding custodial credit risk for deposits in May of 2015. The ABC Board has no formal policy regarding custodial credit risk for deposits.

At June 30, 2021, the carrying amount of the County's deposits was \$30,156,281 and the bank balance was \$30,536,937. Of the bank balance, \$1,056,258 was covered by federal depository insurance and \$30,320,737 deposits were covered under the Pooling Method. At June 30, 2021, the County had \$950 cash on hand.

At June 30, 2021, the carrying amount of deposits of Vance County ABC Board was \$1,417,570 and the bank balance was \$1,423,618. Of this balance, \$250,000 was covered by the federal depository insurance and \$1,173,618 was maintained in financial institutions utilizing the Pooling Method of collateralization.

At June 30, 2021, the carrying amount of deposits for the Vance County Tourism Development Authority was \$840,058 and the bank balance was \$840,028. Since the Authority's deposits are pooled with those of Vance County, none of the bank balance was covered by federal depository insurance.

2. Investments

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

Investment Type		Valuation Measurement Method	Fair Value	Less than 6 Months	6-12 Months
NC Capital Management Trust - Government Portfolio		Fair Value- Level 1	\$ 9,946,849	\$ 9,946,849	\$ -
Total			\$ 9,946,849	\$ 9,946,849	\$ -

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

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or group of assets. Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level two debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The County adopted a policy regarding custodial credit risk for deposit in May of 2015.

Interest Rate Risk: As a means of limiting the exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least half of the County's investment portfolio to maturities of less than 12 months. Also, the County's investment policy requires purchases of securities to be tiered with staggered maturity dates and limits all securities to a final maturity of no more than three years.

Credit Risk: The County limits investments to the provisions of the G.S. 159-30 and restricts the purchase of the securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organization (NRSROs). The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating AAAm by Standard & Poor's as of June 30, 2021. The County's investments in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statute 159-30 as amended.

Note 3 – Detail Notes on All Funds (continued)**1. ASSETS (continued)****2. Investments (continued)**

At June 30, 2021, the Vance County Tourism Development Authority had the following investments and maturities. The Authority adopted a policy regarding custodial credit risk for deposits in May of 2015.

Investment Type	Valuation Measurement	Fair Value	Less than 6 Months	6-12 Months
NC Capital Management of Trust - Cash Portfolio	Amortized Cost	\$ 116,821	N/A	N/A
Total		\$ 116,821	-	-

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

Credit Risk: The Authority's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2021.

At June 30, 2021 the ABC Board had no investments.

3. Property tax - use value assessment on certain lands

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

Year Levied	Tax	Interest	Total
2017	\$ 1,071,368	\$ 350,979	\$ 1,422,347
2018	1,056,229	250,855	1,307,084
2019	1,064,617	157,031	1,221,648
2020	1,076,445	61,899	1,138,344
	<u>\$ 4,268,659</u>	<u>\$ 820,764</u>	<u>\$ 5,089,423</u>

4. Receivables

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

	<u>Accounts</u>	<u>Taxes</u>	<u>Due From Other Governments</u>	<u>Total</u>
Governmental Activities:				
General	\$ 1,914,785	\$ 1,543,699	\$ 276,556	\$ 3,735,040
Other Governmental	102,193	84,210	153,179	339,582
Total Receivables	2,016,978	1,627,909	429,735	4,074,622
Allowance for Doubtful Accounts	-	(377,904)	-	(377,904)
Total Governmental Activities	<u>\$ 2,016,978</u>	<u>\$ 1,250,005</u>	<u>\$ 429,735</u>	<u>\$ 3,696,718</u>
Business Type Activities:				
Solid Waste	\$ 329,678	\$ -	\$ 3,118	\$ 332,796
Water	342,088	-	40,606	382,694
Total Receivables	671,766	-	43,724	715,490
Allowance for Doubtful Accounts	(257,124)	-	-	(257,124)
Total Business-Type Activities	<u>\$ 414,642</u>	<u>\$ -</u>	<u>\$ 43,724</u>	<u>\$ 458,366</u>

Note 3 – Detail Notes on All Funds (continued)

1. ASSETS (continued)

Notes receivable

The County's note receivables are as follows:

Receivables From	Purpose of Note Receivable	Maturity Date	Annual Payment	Balance as of 6/30/21
Town of Middleburg	Economic Development	February, 2022	\$ 3,600	\$ 2,100
Total				<u>\$ 2,100</u>

Note receivable from the Town of Middleburg in the amount of \$24,000 payable to Vance County in 80 month installments of \$300 without interest, beginning in July 2015 through February 2022.

5. Capital assets

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

	Beginning Balance	Additions	Decreases	Transfers & Adjustments	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 2,403,383	\$ -	\$ -	\$ -	\$ 2,403,383
Construction in Progress	1,529,566	4,733,585	-	-	6,263,151
Total capital assets not being depreciated	<u>3,932,949</u>	<u>4,733,585</u>	<u>-</u>	<u>-</u>	<u>8,666,534</u>
Depreciable property:					
Buildings	25,882,182	582,409	-	-	26,464,591
Vehicles	5,473,419	331,509	(303,523)	-	5,501,405
Equipment	2,847,609	1,100,647	(918,802)	-	3,029,454
Computer software	415,290	69,969	-	-	485,259
Total other capital assets being depreciated	<u>34,618,500</u>	<u>2,084,534</u>	<u>(1,222,325)</u>	<u>-</u>	<u>35,480,709</u>
Total Capital Assets	<u>38,551,449</u>	<u>6,818,119</u>	<u>(1,222,325)</u>	<u>-</u>	<u>44,147,243</u>
Less accumulated depreciation for:					
Buildings	14,503,787	621,254	-	-	15,125,041
Vehicles	3,861,805	406,395	(299,049)	-	3,969,151
Equipment	2,475,705	138,707	(899,826)	-	1,714,586
Software	322,510	42,358	-	-	364,868
Total other capital assets at historical cost	<u>21,163,807</u>	<u>1,208,714</u>	<u>(1,198,875)</u>	<u>-</u>	<u>21,173,646</u>
Other capital assets, net	<u>13,454,693</u>	<u>875,820</u>	<u>(23,450)</u>	<u>-</u>	<u>14,307,063</u>
Governmental activities capital assets, net	<u>\$ 17,387,642</u>	<u>\$ 5,609,405</u>	<u>\$ (23,450)</u>	<u>\$ -</u>	<u>\$ 22,973,597</u>

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

Governmental Activities	
General Government	\$ 391,463
Public Safety	714,928
Human Services	76,857
Economic and physical development	25,466
Total depreciation expenses	<u>\$ 1,208,714</u>

Note 3 – Detail Notes on All Funds (continued)

1. ASSETS (continued)

5. Capital assets (continued)

The summary for the *Proprietary Funds* of the County at June 30, 2021 are composed as follows:

Business-type activities:

	Beginning Balance	Additions	Decreases	Transfers & Adjustments	Ending Balance
SOLID WASTE					
Capital assets not being depreciated:					
Land	\$ 882,863	\$ -	\$ -	\$ -	882,863
Total capital assets not being depreciated	882,863	-	-	-	882,863
Capital assets being depreciated					
Buildings & improvements	78,827	385,183	-	-	464,010
Equipment	222,823	-	-	-	222,823
Vehicles	25,224	-	-	-	25,224
Total capital assets being depreciated	326,874	385,183	-	-	712,057
Total capital assets	1,209,737	385,183	-	-	1,594,920
Less accumulated depreciation for:					
Buildings & improvements	24,344	9,570	-	-	33,914
Equipment	152,440	30,660	-	-	183,100
Vehicles	25,224	-	-	-	25,224
Total accumulated depreciation	202,008	40,230	-	-	242,238
Solid Waste capital assets, net	\$ 1,007,729	\$ 344,953	\$ -	\$ -	\$ 1,352,682
WATER					
Capital assets not being depreciated:					
Land	\$ 16,480	\$ -	\$ -	\$ -	16,480
Construction in progress	1,315,650	120,259	-	(1,435,909)	-
Total capital assets not being depreciated	1,332,130	120,259	-	(1,435,909)	16,480
Capital assets being depreciated					
Water lines	15,066,176	-	-	1,435,909	16,502,085
Total capital assets being depreciated	15,066,176	-	-	1,435,909	16,502,085
Less accumulated depreciation for:					
Improvements	1,649,300	380,821	-	-	2,030,121
Total accumulated depreciation	1,649,300	380,821	-	-	2,030,121
Water capital assets, net	\$ 14,749,006	\$ (260,562)	\$ -	\$ -	\$ 14,488,444
Business activities capital assets, net	\$ 15,756,735	\$ 84,391	\$ -	\$ -	\$ 15,841,126

Note 3 – Detail Notes on All Funds (continued)

1. ASSETS (continued)

5. Capital assets (continued)

Activity for the Tourism Development Authority for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Tourism Development Authority					
Capital assets not being depreciated:					
Land	\$ 461,267	\$ -	\$ -	\$ -	\$ 461,267
Total capital assets not being depreciated	\$ 461,267	\$ -	\$ -	\$ -	\$ 461,267

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

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
ABC Board					
Capital assets not being depreciated:					
Land	\$ 192,898	\$ -	\$ -	\$ -	\$ 192,898
Total capital assets not being depreciated	192,898	-	-	-	192,898
Capital assets being depreciated:					
Building	659,416	-	-	-	659,416
Land Improvements	92,930	-	-	-	92,930
Furniture and equipment	198,541	-	-	-	198,541
Total capital assets being depreciated	950,887	-	-	-	950,887
Total	1,143,785	-	-	-	1,143,785
Less accumulated depreciation for:					
Building	238,123	21,981	-	-	260,104
Land improvement	71,267	4,470	-	-	75,737
Furniture and equipment	138,063	13,784	-	-	151,847
Total accumulated depreciation	447,453	40,235	-	-	487,688
Total capital assets being depreciated, net	503,434	-	-	-	463,199
ABC - capital assets, net	\$ 696,332	\$ (40,235)	\$ -	\$ -	\$ 656,097

The ABC Board enters into annual contracts with the North Carolina Department of Crime Control and Public Safety, Division of Alcohol Law Enforcement to provide enforcement services. Contract payments are due quarterly.

Note 3 – Detail Notes on All Funds (continued)**1. ASSETS (continued)****5. Capital assets (continued)**

Net Investment in Capital Assets

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

	Governmental Activities	Business-Type Activities
Capital assets	\$ 22,973,597	\$ 15,841,126
Total debt, gross	19,769,784	11,257,315
Less:		
Other non-capital related debt	2,642,483	-
Total capital debt	17,127,301	11,257,315
Net investment in capital assets	\$ 5,846,296	\$ 4,583,811

Commitments- The County has active general and school construction projects at June 30, 2021. At year-end, the County's commitments with contractors are as follows:

	County Commitments	Spent To Date
Eaton Johnson - DSS Building Architectural Services	\$ 4,528,030	\$ 3,545,022
Total Commitments	\$ 4,528,030	\$ 3,545,022

2. LIABILITIES**1. Payables**

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

	Vendors	Other	Total
Governmental Activities:			
General	\$ 1,800,850	\$ -	\$ 1,800,850
Other Governmental	40,373	-	40,373
Total Governmental Activities	\$ 1,841,223	\$ -	\$ 1,841,223
Business-type Activities			
Solid Waste	\$ 219,444	\$ -	\$ 219,444
Water Fund	90,285	-	90,285
Total Business-Type Activities	\$ 309,729	\$ -	\$ 309,729

2. Pension Plan and Other Postemployment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The County is participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local government entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consist 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 the State Superintendent, who serve as ex-office members. The Local Government Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2021, was 10.84% of compensation for law enforcement officers and 10.21% 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 plan from the County were \$1,410,130 for the year ended June 30, 2021. Contributions to the pension plan from the ABC Board and the Tourism Development Authority were \$43,895 and \$9,824, respectively, for the year ended June 30, 2021.

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

a. Local Governmental Employees' Retirement System (continued)

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

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

County

At June 30, 2021, the County reported a liability of \$6,819,169, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the County's proportion was 0.1908% (measured as of June 30, 2020), which was a decrease of 0.0213% from its proportion measured as of June 30, 2020 (measured as of June 30, 2019).

For the year ended June 30, 2021, the County recognized pension expense of \$2,230,698. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 861,141	\$ -
Changes of assumptions	507,480	-
Net difference between projected and actual earnings on pension plan investments	959,616	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	10,815	367,179
County contributions subsequent to the measurement date	1,410,130	-
Total	<u>\$ 3,749,182</u>	<u>\$ 367,179</u>

\$1,410,130 reported as deferred outflows of resources related to pensions resulting from the County contributions and will be recognized as an increase of the net pension asset in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2022	\$ 542,204
2023	748,652
2024	397,020
2025	283,997
2026	-
Thereafter	-
	<u>\$ 1,971,873</u>

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

a. Local Governmental Employees' Retirement System (continued)

Tourism Development Authority

At June 30, 2021, the TDA reported a liability of \$46,711, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The TDA's proportion of the net pension liability was based on a projection of the TDA's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the TDA's proportion was .0013% (measured as of June 30, 2020), which was an increase of 0.0001% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the TDA recognized pension expense of \$10,382. At June 30, 2021, the TDA 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	\$ 5,683	\$ -
Changes of assumptions	3,514	-
Net difference between projected and actual earnings on pension plan investments	6,645	-
Changes in proportion and differences between TDA Contributions and proportionate share of contributions	75	2,515
County contributions subsequent to the measurement date	9,765	-
Total	<u>\$ 25,682</u>	<u>\$ 2,515</u>

\$9,765 reported as deferred outflows of resources related to pensions resulting from the TDA contributions and will be recognized as an increase of the net pension asset in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2022	\$ 3,755
2023	5,184
2024	2,749
2025	1,967
2026	-
Thereafter	-
	<u>\$ 13,655</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	3.50 percent
Investment Rate of Return	7.00 percent, net of pension plan investment expense, including inflation

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

a. Local Governmental Employees' Retirement System (continued)

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investments returns and inflation assumptions are developed through review of current and historical capital market data, sell-side investments research, consultant whitepapers, and historical performance of investments 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 assets class of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 13,835,351	\$ 6,819,169	\$ 988,228
TDA's proportionate share of the net pension liability (asset)	\$ 94,772	\$ 46,711	\$ 6,769

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

a. Local Governmental Employees' Retirement System (continued)

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

The Vance County ABC Board also participates in the statewide Local Governmental Employee's Retirement System (LGERS). The ABC Board's proportionate share of the net pension assets is not material relative to the primary government, Vance County.

Therefore, pension disclosures for the ABC Board are not included in this report. Detailed information about the ABC Board's pension plans are included in the separately issued audit reports of the Vance County ABC Board.

b. Law Enforcement Officers' Special Separation Allowance

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

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2019, the Separation Allowance's membership consisted of:

Retirees receiving benefits	3
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	38
Total	<u>41</u>

Summary of Significant Accounting Policies

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

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

Actuarial Assumptions

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

Inflation	2.5 percent
Salary Increase	3.25 to 7.75 percent, including inflation and productivity factor
Discount Rate	1.93 percent

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

Note 3 - Detailed Notes on All Funds (continued)

2. LIABILITIES (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

b. Law Enforcement Officers' Special Separation Allowance (continued)

Mortality Rate

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

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

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

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

Contributions - The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County'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 County paid \$23,768 as benefits came due for the reporting period.

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

At June 30, 2021, the County reported a total pension liability of \$1,426,855. The total pension liability was measured as of June 30, 2020, based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$157,243.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 55,195	\$ -
Changes of assumptions	351,816	19,643
County benefit payments and plan administrative expense made subsequent to the measurement date	9,485	-
Total	<u>\$ 416,496</u>	<u>\$ 19,643</u>

The County paid \$9,485 in benefit payments subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 85,475
2023	84,802
2024	72,056
2025	72,484
2026	63,642
Thereafter	8,909
	<u>\$ 387,368</u>

Note 3 - Detailed Notes on All Funds (continued)

2. LIABILITIES (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

b. Law Enforcement Officers' Special Separation Allowance (continued)

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 1.93 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (0.93 percent) or one percentage point higher (2.93 percent) than the current rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	\$ 1,556,086	\$ 1,426,855	\$ 1,308,671

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

Beginning Balance	\$ 978,974
Service Cost	49,361
Interest on the total pension liability	31,527
Changes of benefit terms	-
Differences between expected and actual experience in the	13,903
Changes of assumptions or other inputs	376,858
Benefit payments	(23,768)
Other changes	-
Ending balance of the total pension liability	<u>\$ 1,426,855</u>

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

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

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

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

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy - Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2021 were \$124,240, which consisted of \$99,433 from the County and \$24,807 from the law enforcement officers.

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

d. Register of Deeds' Supplemental Pension Fund

Plan Description. also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,347 for the year ended June 30, 2021.

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

At June 30, 2021, the County reported an asset of \$76,489 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating RODSPF employers, actuarially determined. At June 30, 2020, the County's proportion was 0.33375%, which was an increase of 0.05733% from its proportion measured as of June 30, 2019.

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

d. Register of Deeds' Supplemental Pension Fund (continued)

For the year ended June 30, 2021, the County recognized pension revenue of \$2,024. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,559
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	6,545
Changes in proportion and differences between County Contributions and proportionate share of contributions	8,637	7,259
County contributions subsequent to the measurement date	3,347	-
Total	<u>\$ 11,984</u>	<u>\$ 15,363</u>

\$3,347 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2022	\$ (450)
2023	(1,673)
2024	(2,954)
2025	(1,649)
2026	-
Thereafter	-
	<u>\$ (6,726)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	3.5 to 7.75 percent, including inflation and productivity factor
Investment Rate of Return	3.75 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study as of December 31, 2014.

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

d. Register of Deeds' Supplemental Pension Fund (continued)

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2021 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

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

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (64,968)	\$ (76,489)	\$ (86,238)

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

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

The net pension liability (asset) for LGERS and ROD was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2020, with an actuarial valuation date of December 31, 2019. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 6,819,169	\$ (76,489)	\$ -	\$ 6,742,680
Proportion of the Net Pension Liability (Asset)	0.19083%	0.33375%	n/a	
Total Pension Liability	-	-	1,426,855	1,426,855
Pension Expense	2,230,698	(2,024)	157,243	2,385,917

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

<u>Deferred Outflows of Resources</u>	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Differences between expected and actual experience	\$ 861,141	\$ -	\$ 55,195	\$ 916,336
Changes in assumptions	507,480	-	351,816	859,296
Net difference between projected and actual earnings on pension plan investments	959,616	-	-	959,616
Changes in proportion and differences between County contributions and proportionate share of contributions	10,815	8,637	-	19,452
County contributions (LGERS,ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,410,130	3,347	9,485	1,422,962

Deferred Inflows of Resources

Differences between expected and actual experience	-	1,559	-	1,559
Changes in assumptions	-	-	19,643	19,643
Net difference between projected and actual earnings on pension plan investments	-	6,545	-	6,545
Changes in proportion and differences between County contributions and proportionate share of contributions	367,179	7,259	-	374,438

f. Firemen's and Rescue Squad Workers' Pension Fund

Plan Description. The State of North Carolina contributes, on behalf of Vance county, to the Firemen's and Rescue Squad Workers' Pension Fund (Fund), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. The Fund provides pension benefits to any eligible fire and rescue squad workers that have elected to become members of the fund. Article 86 of G.S. Chapter 58 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. the Firemen's and Rescue Squad Workers' Pension Fund is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for the fund. 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.

Plan Description. Under the terms of a County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). As of July 1, 2011, this plan provides postemployment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and a) have at least 30 year of creditable service with the County or b) have at least 15 years of creditable service with the County. The County pays the full cost of coverage for these benefits for lifetime employees with 30 years of services. Employees with 15 years of service may purchase insurance through the County's plan at their own expense until Medicare eligibility age. Prior to July 1, 2011, employees qualified for lifetime benefits after a minimum of 15 years of creditable service with the County. Retirees who qualify for coverage receive the same benefits as active employees. Coverage for all retirees who are eligible for Medicare will be transferred to a Medicare Supplement Plan after qualifying for Medicare. Also, retirees can purchase coverage for their dependents at the County's group rates. The Board of Commissioners may amend the benefits provisions. A separate report was not issued for the plan.

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

g. Other Postemployment Benefits

Plan Description

Retired Employees' Years of Creditable Service	Date Hired	
	Pre-July 1, 2011	On or after July 1, 2011
Less than 15 years	Not eligible for coverage	Not eligible for coverage
15-30 years	Full coverage paid by the County	Coverage until Medicare
30+ years	Full coverage paid by the County	Full coverage paid by the County

Plan Membership. At June 30, 2020, the HCB Plan membership consisted of the following:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	74	10
Terminated plan members entitled to but not yet receiving	0	0
Active plan members	267	54
Total	341	64

Funding Policy. The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a County resolution that can be amended by the County Commissioners. Dependent coverage costs must be paid in full by the retiree. The County has chosen to fund the healthcare benefits on a pay as you go basis.

Total OPEB Liability

The County's total OPEB liability of \$20,384,683 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.21 percent
Salary increases:	
General Employees	3.50 to 7.75 percent, including inflation
Law Enforcement Officers	3.5 to 7.35 percent, including inflation
Discount rate	3.50 percent
Healthcare cost trend rates:	
Pre-Medicare	7.005 percent for 2020 decreasing to an ultimate rate of 4.50 percent by 2030
Medicare	5.25 percent for 2020 decreasing to an ultimate rate of 4.50 percent by 2024

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

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

g. Other Postemployment Benefits (continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at June 30, 2019	\$ 21,048,902
Changes for the Year:	
Service Cost	756,571
Interest	754,298
Differences between expected and actual experience	(5,205,120)
Changes of assumptions or other inputs	3,542,636
Benefit payments	(512,604)
Net Changes	(664,219)
Balances at June 30, 2020	\$ 20,384,683

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

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2020 valuation.

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

The following presents the net OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) and 1-percentage-point higher (3.27 percent) than the current discount rate:

	1% Decrease (1.21 percent)	2.21	1% Increase (3.21 Percent)
Total OPEB liability (asset)	\$ 24,418,832	\$ 20,384,683	\$ 17,254,731

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

	1% Decrease	Current	1% Increase
Total OPEB liability (asset)	\$ 16,912,417	\$ 20,384,683	\$ 24,975,288

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

g. Other Postemployment Benefits (continued)

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

For the year ended June 30, 2021, the County recognized OPEB expense of \$749,788. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 24,520	\$ 5,832,498
Changes of assumptions	3,991,023	1,429,924
Net difference between projected and actual earnings on plan investments	-	-
Benefit payments and administrative costs made subsequent to the measurement date	421,479	-
Total	<u>\$ 4,437,022</u>	<u>\$ 7,262,422</u>

\$421,479 reported as deferred outflows of resources related to OPEB resulting from County benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease in the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30

2022	\$ (761,081)
2023	(761,081)
2024	(761,081)
2025	(481,264)
2026	(248,661)
Thereafter	(233,711)

h. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

3. Closure and post closure care costs - Vance County Landfill Facility

State and federal laws and regulations require the County to place a final cover on its landfill facilities when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$890,828 reported as landfill closure and post-closure care liability at June 30, 2021 represents a cumulative amount reported to date based on the use of 100 percent of the total estimated capacity of the landfill. Final costs may be higher due to inflation, changes in technology, or changes in regulations. All of the above amounts are based on what it would cost to perform all closure and post-closure care in 2021.

The landfill was certified as closed in fiscal year 2000. Closure and post closure care costs will end of fiscal year 2030. The County's estimated post closure care cost liability of \$890,828 is based on estimated annual post closure care costs of \$97,040 plus 2% annual inflation, for the remaining 10 years the County is required to maintain and monitor the landfill.

The County has met the requirements of a local government financial test, one option under State and federal laws and regulations to help determine if a unit is financially able to meet closure and post-closure care requirements. The County is not currently required to fund the estimated closure costs of this facility based upon its present financial stability. However, if additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future tax revenues.

4. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pensions - difference between expected and actual experience		
LGERS	\$ 861,141	\$ -
Register of Deeds	-	1,559
LEOSSA	55,195	-
OPEB	24,520	5,832,498
Changes of assumptions		
LGERS	507,480	-
LEOSSA	351,816	19,643
OPEB	3,991,023	1,429,923
Pensions - difference between projected and actual investment		
LGERS	959,616	-
Register of Deeds	-	6,545
OPEB	-	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	10,815	367,179
Register of Deeds	8,637	7,259
Contributions, benefits and admin costs paid subsequent to measurement date		
LGERS	1,410,130	-
Register of Deeds	3,347	-
LEOSSA	9,485	-
Benefit payments for the OPEB plan paid subsequent to measurement date	421,479	-
Prepaid taxes not yet earned (General Fund)	-	202,654
Note receivable		2,100
Taxes receivable, net (General)	-	1,250,006
	<u>\$ 8,614,684</u>	<u>\$ 9,119,366</u>

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

5. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The County obtains property insurance coverage and general liability coverage for these risks. The County participates in two self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$62,092,260 for any one occurrence; general, auto, professional, law enforcement, and employment practices liability coverage of \$2 million per occurrence; cyber liability of \$1,000,000; and workers' compensation coverage up to the statutory limits. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Both of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of a \$500,000 retention up to a \$2 million limit for liability coverage, \$600,000 of aggregate of annual losses in excess of \$50,000 per occurrence for property, auto physical damage, and crime coverage, and single occurrence losses of \$350,000 for workers' compensation.

The County's insurance policy includes shared reinsurance limits with other members of the pool as follows: (Earthquake \$5,000,000 per occurrence, Flood \$1,000,000 in Zones A and V and \$5,000,000 in zones other than A and V, and Named Storm \$50,000,000 per occurrence) There have been no losses due to flooding in previous years. In accordance with G.S. 159-29, the County's employees that have access of \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance and the Tax Collector are individually bonded for \$50,000 and \$50,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

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

Vance County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The ABC Board has property, general liability, auto liability, workmen's compensation and employee health coverage. The Board also has liquor legal liability coverage. There have been no significant reductions in insurance coverage from the prior year and settled claims have not exceeded coverage in any of the past three fiscal years. In accordance with G.S. 18B-700(i) and G.S. 18B-803(b), each Vance County ABC Board member and the employees designated as the general manager and finance officer are bonded in the amount of \$50,000 secured by a corporate surety.

Vance County Tourism Development Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority does not carry flood insurance. The Authority is covered under a commercial insurance coverage carrier by Vance County, North Carolina. There have been not significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years. In accordance with G.S. 159-26, the Authority's funds are bonded under a spectrum policy in which a section of the policy covers employee dishonesty up to \$10,000. The finance officer is individually bonded in the amount of \$50,000.

6. Contingent Liabilities

At June 30, 2021, the County's management and the County attorney have no knowledge of any existing outstanding material cases.

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

5. Risk Management (continued)

7. Long-term obligations

General Obligation Indebtedness

All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit and taxing power of the County. In the event of a default, the County agrees to pay to the Purchaser on demand, interest on any and all amounts due and owing by the County under this Agreement. The County's general obligation bonds payable at June 30, 2021 are comprised of the following individual issues:

\$5,627,000 2014 General Obligation Water Bonds due in annual installments of \$78,000 to \$244,000 June 1, 2054, interest at 3.25%.	\$ 5,214,000
\$2,196,000 Series 2015A General Obligation Water Bonds due in annual installments of \$35,000 to \$89,000 June 1, 2054, interest at 2.75%.	2,015,000
\$3,937,000 Series 2015B General Obligation Water Bonds due in annual installments of \$62,000 to \$161,000 June 1, 2054, interest at 2.75%.	3,615,000
\$212,000 Series 2018 General Obligation Water & Sewer Bonds due in annual installments of \$2,559 to \$8,338 June 1, 2058, interest at 1.875%.	208,000
Total Serviced by the Enterprise Funds	<u>\$ 11,052,000</u>

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

Year Ending June 30	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2022	\$ -	\$ -	\$ 204,000	\$ 328,180	\$ 532,180
2023	-	-	210,000	322,150	532,150
2024	-	-	215,000	315,940	530,940
2025	-	-	222,000	309,578	531,578
2026	-	-	228,000	303,008	531,008
2027-2031	-	-	1,244,000	1,409,831	2,653,831
2032-2036	-	-	1,440,000	1,214,068	2,654,068
2037-2041	-	-	1,665,000	987,504	2,652,504
2042-2046	-	-	1,928,000	724,836	2,652,836
2047-2051	-	-	2,234,000	420,383	2,654,383
2052-2056	-	-	1,444,000	87,194	1,531,194
2057-2061	-	-	18,000	525	18,525
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,052,000</u>	<u>\$ 6,423,197</u>	<u>\$ 17,475,197</u>

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

7. Long-term obligations (continued)

Capital Leases

The County has entered into agreements to lease certain equipment and vehicles. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The outstanding balances as of June 30, 2021 are as follows:

An agreement was entered into on September 27, 2010 with BB&T for the lease of a 2010 E-One Fire tanker for the Fire and Ambulance Department. The agreement was for 10 annual payments of \$27,435, including interest at 2.77%.	\$ -
An agreement was entered into on December 15, 2010 with BB&T for the refinancing of the Kerr Lake Volunteer Fire Department's assets for the Fire and Ambulance Department. The refinancing agreement called for 180 month payments of \$1,740, including interest at 4.09%.	85,666
An agreement was entered into February 9, 2018 for the purchase of 3 law enforcement vehicles, an ambulance and QRV. The agreement was for 16 quarterly payments of \$18,394 including interest at 2.37%.	54,539
four Law Enforcement vehicles. The agreement was for 16 quarterly payments of \$21,037 each including interest at 2.03%.	-
An agreement was entered into on April 9, 2019 for the purchase of seven law enforcement and other department vehicles. The agreement was for 16 quarterly payments of \$17,024 each including interest at 2.98%.	115,692
Total Capital Leases	<u>\$ 255,897</u>

At June 30, 2019 the County leased vehicles and equipment was valued as follows:

	Cost	Accumulated Depreciation	Net Book Value
Equipment and Vehicles	\$ 2,002,638	\$ 1,758,433	\$ 244,205

For Vance County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 are as follows:

Year Ending June 30,	
2022	\$ 144,156
2023	71,946
2024	20,875
2025	20,875
2026	10,436
Thereafter	-
Total minimum lease payment	268,288
Less: amounts representing interest	12,391
Present value of minimum lease payments	<u>\$ 255,897</u>

At June 30, 2021, the legal debt margin is \$217,141,603.

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

7. Long-term obligations (continued)

Installment Purchases – The County has several installment purchase agreements in effect at June 30, 2021. A summary of those are as follows:

Remedies on Default. Upon the continuation of any Event of Default, lender may, without any further demand or notice, exercise any one or more of the following remedies: (a) Declare the unpaid principal components of the Installment Payments immediately due and payable; (b) Proceed by appropriate court action to enforce the County's performance of the applicable covenants of this Agreement or to recover for the breach thereof; (c) As provided in the Project Fund Agreement, pay over any balance remaining in the Project Fund to be applied against outstanding Required Payments in any manner BB&T may reasonably deem appropriate; and (d) Avail itself of all available remedies under the Agreement, including execution and foreclosure, and recovery of attorneys' fees and other expenses.

On March 10, 2009, the County entered into a direct placement installment purchase contract with BB&T, with the proceeds to be used in the construction of a new elementary school building. The installment purchase contract is to be paid in 20 annual payments of \$650,000 plus semiannual interest payments of 2.81% beginning on September 1, 2009. The building and fixtures are pledged as collateral for the debt. This loan was refinanced on September 1, 2020.

\$ -

On June 9, 2015, the County entered into direct placement installment purchase contract with BB&T, for jail renovation with the proceeds to be used for improvements to buildings at Vance Granville Community College totaling \$1,018,000 and to refinance a previous loan for the renovation of the County jail complex. The outstanding balance refinanced on the previous loan was \$800,000. \$980,000 of the new installment purchase contract is to be paid in 15 annual payments of \$65,000 to \$66,000 plus annual interest payments of 2.75% beginning on September 1, 2015. The remaining balance of \$838,000 will be paid in 4 annual installments of 203,000 to \$216,000 plus annual interest payments of 1.59% beginning June 1, 2016. The buildings and fixtures are pledged as collateral for the debt. This loan was refinanced on September 1, 2020.

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On November 15, 2005, the County entered into a QZAB direct placement installment purchase contract with proceeds to be used for property improvements by the Vance County Board of Education. The installment purchase contract is to be paid in 16 annual installments of \$101,863 with no interest. The buildings and fixtures are pledged as collateral for the debt.

472,052

On November 9, 2010, the County entered into a QSCB direct placement installment purchase contract with BB&T, with proceeds to be used for property improvements by the Vance County Board of Education. The installment purchase contract is to be paid in 15 annual installments of \$261,621 plus annual interest payments of 5.09%. The buildings and fixtures are pledged as collateral for the debt.

1,308,107

On June 26, 2013, the County entered into a QZAB direct placement installment purchase contract with BB&T, with proceeds to be used for property improvements by the Vance County Board of Education. The installment purchase contract was to be paid in 15 annual installments of \$133,333 with no interest. On June 26, 2018 BB&T amended the original agreement. The amended agreement provides for the contract to be paid through annual installments of \$123,155 through June 26, 2028 with no interest. The building and fixtures are pledged as collateral for the debt.

862,324

On June 23, 2017, the County entered into a direct placement installment financing agreement with BB&T, with the proceeds to be used to finance the cost of certain improvement, repairs and renovations to certain County buildings and facilities. The installment contract is to be paid in 15 annual principal payments (7 at \$86,000 and 8 at \$87,000), plus semiannual interest payments at 2.85% beginning on September 1, 2017. The buildings and fixtures are pledged as collateral for the debt. The loan was refinanced on September 1, 2020.

-

On December 22, 2016, the County entered into a \$1,703,000 direct placement installment financing agreement with USDA, with the proceeds to be used to finance the cost of the Animal Shelter. The installment contract is to be paid in 30 annual payments of \$80,024, including interest, beginning on December 22, 2017. The building and fixtures are pledged as collateral for the debt.

1,539,062

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

7. Long-term obligations (continued)

On April 12, 2019, the County entered into a \$474,851 direct placement installment financing agreement with Regions Equipment Finance Corporation (REFCO), with the proceeds to be used to finance the cost of a 2019 E-One Firetruck. The installment contract is to be paid in 36 quarterly payments of \$13,672, including interest, beginning on July 12, 2019. The vehicle is pledged as collateral for the debt. Remedies on Default. Upon the occurrence of any Event of Default, REFCO may exercise any one or more of the following remedies as REFCO, in its sole discretion, shall elect: (a) Declare the unpaid portion of the then outstanding principal component of the Installment Payments immediately due and payable, without notice or demand to the County; (b) Proceed by appropriate court action to enforce the performance by the County of the applicable covenants of this Contract or to recover for any breach thereof; (c) Exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State and the general laws of the State with respect to the enforcement of the security interest granted or reserved hereunder and to sell, lease, sublease or make other disposition of the same in a commercially reasonable manner for the account of the County, and apply the proceeds of any such sale, lease, sublease or other disposition, after deducting all costs and expenses, including court costs and attorneys' fees, incurred with the recovery, repair, storage and other sale, lease, sublease or other disposition, toward the balance due under this Contract and, thereafter, to pay any remaining proceeds to the County; or (d) Pursue any other remedy available at law or equity to REFCO.

390,281

On March 30, 2020, the County entered into a \$407,989 direct placement installment financing agreement with Regions Equipment Finance Corporation (REFCO), with the proceeds to be used to finance the cost of an Ambulance and (4) 2019 Dodge Ram trucks. The installment contract is to be paid in 20 quarterly payments of \$22,300, including interest at 1.62%, beginning on June 30, 2020. The Equipment is pledged as collateral for the debt. Remedies on Default. Upon the occurrence of an Event of Default, and so long as such Event of Default is continuing, REFCO may, at its option, exercise any one or more of the following remedies: (a) declare all installments of the payments, payable until the end of the term of the agreement, (b) may, without demand or legal process, take possession of the Equipment with or without terminating this agreement and without any liability to the County for such repossession, and lease or sell the Equipment, (c) release or sale any and all of the Equipment at a public or private sale on such terms as it deems reasonable, (d) may require the County to furnish copies of all books and records of the County pertaining to the Equipment, and (e) may exercise any other right, remedy or privilege which may be available to it under applicable laws of the State of North Carolina or any other applicable laws including, without limitation, the rights of a secured party under the State of North Carolina Uniform Commercial Code, or proceed by appropriate court action to enforce the terms of the agreement or to recover damages for the breach of this agreement or to rescind this agreement as to any or all of the Equipment. In addition, the County will remain liable for all covenants and, to the extent permitted by applicable law, indemnities under this agreement and for all legal fees and other costs and expenses, including court costs and reasonable attorney fees, incurred by REFCO with respect to the enforcement of any of the remedies listed above or any other remedy available to REFCO.

295,063

On March 26, 2021, the County entered into a \$223,265 direct placement installment financing agreement with Bank Funding, LLC, with the proceeds to be used to finance the cost of 8 Sheriff Vehicles. The installment contract is to be paid in 20 quarterly payments of \$15,043, including interest at 1.68%, beginning on June 24, 2021. The Equipment is pledged as collateral for the debt. Remedies on Default. Upon the occurrence of an Event of Default, and so long as such Event of Default is continuing, Bank Funding, LLC may, at its option, exercise any one or more of the following remedies: (a) declare all installments of the payments, payable until the end of the term of the agreement, (b) may, without demand or legal process, take possession of the Equipment with or without terminating this agreement and without any liability to the County for such repossession, and lease or sell the Equipment, (c) release or sale any and all of the Equipment at a public or private sale on such terms as it deems reasonable, (d) may require the County to furnish copies of all books and records of the County pertaining to the Equipment, and (e) may exercise any other right, remedy or privilege which may be available to it under applicable laws of the State of North Carolina or any other applicable laws including, without limitation, the rights of a secured party under the State of North Carolina Uniform Commercial Code, or proceed by appropriate court action to enforce the terms of the agreement or to recover damages for the breach of this agreement or to rescind this agreement as to any or all of the Equipment. In addition, the County will remain liable for all covenants and, to the extent permitted by applicable law, indemnities under this agreement and for all legal fees and other costs and expenses, including court costs and reasonable attorney fees, incurred by Bank Funding, LLC with respect to the enforcement of any of the remedies listed above or any other remedy available to Bank Funding, LLC.

211,999

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

7. Long-term obligations (continued)

On September 1, 2021, the County entered into a \$7,435,000 direct placement installment financing agreement with JP Morgan Chase Bank N.A. (Chase), with the proceeds to be used to refinance the building and renovations. The installment contract is to be paid in 11 annual principal payments and 22 quarterly interest payments, interest at 1.37%, beginning on September 1, 2021. Chase holds a deed of trust on the properties as collateral for the debt. Remedies on Default. Upon the occurrence of an Event of Default, exercise all remedies available at law or in equity or under the Deed of Trust, including foreclosure and sale of the Mortgaged Property, and apply the proceeds of any such sale or other disposition, after deducting all costs and expenses, including court costs and reasonable attorneys' fees incurred with the recovery, repair, storage and other sale or other disposition costs, toward the principal component and accrued and unpaid interest of the balance of Installment Payments due; and subject to the Enforcement Limitation, proceed by appropriate court action to enforce performance by the County of the applicable covenants of this Agreement or to recover for the breach thereof.

7,435,000

On July 14, 2021, the County entered into a \$7,000,000 direct placement installment financing agreement with JP Morgan Chase Bank N.A. (Chase), with the proceeds to be used for a DSS Building. The installment contract is to be paid in 15 annual principal payments of \$467,000 plus interest (calculated on a 30/360 basis by using a year of 360 days comprised of 12 30-day months, beginning on August 1, 2021. Chase holds a deed of trust on the properties as collateral for the debt. Remedies on Default. Upon the occurrence of an Event of Default, exercise all remedies available at law or in equity or under the Deed of Trust, including foreclosure and sale of the Mortgaged Property, and apply the proceeds of any such sale or other disposition, after deducting all costs and expenses, including court costs and reasonable attorneys' fees incurred with the recovery, repair, storage and other sale or other disposition costs, toward the principal component and accrued and unpaid interest of the balance of Installment Payments due; and subject to the Enforcement Limitation, proceed by appropriate court action to enforce performance by the County of the applicable covenants of this Agreement or to recover for the breach thereof.

7,000,000

Total Serviced by the Governmental Funds

\$ 19,513,888

Direct Borrowing -Installment Purchase

\$273,753 2016 NCDEQ DWI Drinking Water Federal Revolving Loan due in annual installments of \$13,688, interest at 0%. The final payment is due on May 1, 2036.

\$ 205,315

Total Serviced by the Enterprise Funds

\$ 205,315

Annual debt service requirements to maturity for the County's installment purchase loans are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principle	Interest	Principle	Interest
2022	\$ 2,014,889	\$ 326,504	\$ 13,688	\$ -
2023	2,014,004	285,498	13,688	-
2024	2,003,207	249,500	13,688	-
2025	1,964,485	213,674	13,688	-
2026	1,852,764	178,606	13,688	-
2027-2031	6,199,528	526,553	68,438	-
2032-2036	2,698,136	217,382	68,437	-
2037-2041	323,999	76,121	-	-
2042-2046	364,418	35,702	-	-
2047-2051	78,458	1,870	-	-
	<u>\$ 19,513,888</u>	<u>\$ 2,111,410</u>	<u>\$ 205,315</u>	<u>\$ -</u>

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

8. Summary of Long-Term Obligations

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

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Current Portion of Balance
Governmental Activities:					
General obligation debt	\$ -	\$ -	\$ -	\$ -	\$ -
Direct placement Installment purchases	13,740,455	14,658,265	8,884,833	19,513,887	2,014,888
Capital leases	496,747	-	240,850	255,897	137,612
Compensated absences	1,005,867	235,280	-	1,241,147	-
Net pension liability (LGERS)	5,774,769	1,021,215	-	6,795,984	-
Total pension liability (LEOSSA)	978,974	447,881	-	1,426,855	-
Total OPEB Liability	20,971,021	-	661,761	20,309,260	-
Total governmental activities	\$ 42,967,833	\$ 16,362,641	\$ 9,787,444	\$ 49,543,030	\$ 2,152,500
Business-Type Activities:					
Accrued landfill closure and post-closure care cost	\$ 970,400	\$ -	\$ 79,572	\$ 890,828	\$ -
General obligation debt	11,250,000	-	198,000	11,052,000	204,000
Direct Borrowing - Installment Purchase	219,002	-	13,687	205,315	13,688
Compensated absences	5,329	-	5,329	-	-
Net pension liability (LGERS)	19,701	3,484	-	23,185	-
Total OPEB Liability	77,881	-	2,458	75,423	-
Total business-type activities	\$ 12,542,313	\$ 3,484	\$ 299,046	\$ 12,246,751	\$ 217,688

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

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Current Portion of Balance
Net pension liability	\$ 89,301	\$ 25,049	\$ -	\$ 114,350	\$ -
Compensated absences	35,748	1,132	-	36,880	-
Total OPEB Liability	277,098	65,610	-	342,708	-
Total ABC Board	\$ 402,147	\$ 91,791	\$ -	\$ 493,938	\$ -

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

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Current Portion of Balance
Notes payable	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability	39,692	7,019	-	46,711	-
Compensated absences	10,011	4,834	-	14,845	14,845
Total OPEB Liability	75,675	-	680	74,995	-
Total TDA	\$ 125,378	\$ 11,853	\$ 680	\$ 136,551	\$ 14,845

Note 3 - Detail Notes on All Funds (continued)**2. LIABILITIES (continued)****9. Conduit Debt**

Vance County Industrial Facility and Pollution Control Authority have issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2021, there were three series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$1.03 million.

3. FUND BALANCE**Interfund Balances and Activity**

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

From the General Fund to the Debt Service Fund to help pay debt service obligations.	\$ 284,407
From the General Fund to the Revaluation fund to provide funding for future revaluation the County's tax base.	40,600
From the General Fund to the School Capital Reserve Fund to cover capital expenditures for school facility improvements - restricted portion of sales tax.	3,702,206
From the General Fund to the General Capital Reserve Fund to provide funding for maintenance and special projects.	486,305
From the General Fund to the Water Fund to provide funding to cover operating deficit.	12,800
From the General Fund to the Solid Waste Fund for budgeted transfers.	24,046
From the Facility Fee Fund to the General Fund to cover costs of Courthouse operations.	43,113
From the Fire District Fund to the General Fund for administrative services, paid volunteers, VCFD fire tax allocations.	135,900
From the School Capital Reserve Fund to the General Fund for school capital outlay budgeted for FY 2021.	807,000
From the School Capital Reserve Fund to the Debt Service Schools Fund for debt repayment.	2,089,182
Total Interfund Transfers	<u>\$ 7,625,559</u>

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Neighborhood Stabilization Fund	\$ 65,489
General Fund	Facility Fees Fund	1,933
Total Due to/from Other Funds		<u>\$ 67,422</u>

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.

Note 3 - Detail Notes on All Funds (continued)

3. FUND BALANCE (continued)

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

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation at June 30, 2021:

Total fund balance- General Fund	\$ 26,993,578
Less:	
Stabilization by state statute	2,258,763
Restricted for revaluation	383,557
Restricted for facility improvements	1,859
Committed for LEOSSA and OPEB benefits	311,588
Committed for animal shelter	31,980
Appropriated Fund Balance in 2021 budget	1,994,887
<u>Remaining Fund Balance</u>	<u>\$ 22,010,944</u>

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

Encumbrances	General Fund
\$	-

Note 4 - Joint Ventures

The Granville-Vance Health District is a district based board of health established under North Carolina General Statute 130A by both Granville County and Vance County to provide public health services. The joint venture is governed by a sixteen-member Board, which is composed of one County Commissioner from each of the two counties; and seven other members appointed by each of the two respective Boards of County Commissioners. The County contributed \$770,000 to the Health District during the fiscal year ended June 30, 2021. The participating governments do not have any equity interest in the joint venture, therefore no equity interest has been reflected in the financial statements at June 30, 2021. Complete financial statements for the Health District can be obtained from the Health District's administrative offices at 101 Hunt Drive, Oxford, NC 27565.

other counties in fiscal year ended June 30, 2021. For the new fiscal year Cardinal will be dissolved as it will be consolidated with Vaya Health. With the transition to Vaya Health Vance County will have two members appointed to their regional community board which in turn will appoint two members of the newly reconstituted Vaya Health Board. The County contributed \$176,600.00 Cardinal Innovations during fiscal year ended June 30, 2021. The participating governments do not have any equity interest in the joint venture, therefore no equity interest has been reflected in the financial statements at June 30, 2021. Complete financial statements for the Cardinal Innovations and/or Vaya Health can be obtained from their administrative offices

Note 4 - Joint Ventures (continued)

The County in conjunction with Granville County, Warren County, Franklin County, the State of North Carolina, and the Boards of Education of Vance, Granville, Warren, and Franklin Counties, participates in a joint venture to operate Vance-Granville Community College. Each participant appoints members of the thirteen-member board of trustees of the Community College. No participant appoints a majority. The president of the Community College's student government serves as an ex-officio nonvoting member of the Community College's board of trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and provides some financial support for the Community College's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$1,149,698 and \$41,220 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2021. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2021. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at P.O. Box 917, Henderson, NC 27536.

The Kerr Area Rural Transportation Authority (KARTS) is an association of five county governments, including Vance County. Karts is a joint venture of the participating counties for the purpose of providing a safe, adequate, and convenient transportation system for the jurisdictional area creating the Authority and its immediate environs. The counties served by KARTS, in addition to Vance County, are Granville, Franklin, Warren, and Person. General support of KARTS is provided by Federal, State, and local grants and user fees. Each county appoints two members of the Authority's managing body and this governing body determines the budget and financing requirements of the Authority. The criteria in NCGA Statement 3 were applied to the Authority, and while there were positive responses to some of the criteria, it was determined the County did not have significant influence over the Authority to justify inclusion of the Authority as part of the County reporting entity. The County contributed \$90,132 to KARTS during the fiscal year ended June 30, 2021. The participating governments do not have any equity interest in the joint venture, therefore no equity interest has been reflected in the financial statements at June 30, 2021. Complete financial statements for KARTS can be obtained from their administrative offices.

Note 5- Jointly Governed Organization

The County has joined with four other counties and fifteen municipalities in the area to establish the Kerr-Tar Regional Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$18,852 to the Council during the fiscal year ended June 30, 2021. The County has no equity interest in the Council.

Note 6- Summary Disclosure of Significant Commitments and Contingencies**Unemployment Taxes**

The County has elected to pay direct costs of employment security benefits in lieu of employment security taxes on payroll. A liability for benefit payments could accrue in the year following discharge of employees.

Economic Incentives

During the fiscal year ended June 30, 2020, Vance County negotiated an economic incentive to Open Broadband for high speed wireless service throughout the county over the next 4 years. Due to the pandemic and supply chain challenges availability of service has been delayed. To date, wireless service is available in the northern (New Hope Water Tank), eastern (Warrenton Road Water Tank), and southern (Kittrell Fire Station) parts of the county. As of fall, 2021 a total of 14 activations have been completed. Due to the delay in service the county has not provided any additional incentives to Open Broadband to date since the initial payment of \$33,000.

During the fiscal year ended June 30, 2021, Vance County recruited Select Products Holdings to the county and negotiated an economic incentive grant. Select Products Holdings is committed to creating \$5.01 million in business personal property, \$50,000 in real property investment and 73 new jobs with an average wage of \$45,541 over five years.

Note 6- Summary Disclosure of Significant Commitments and Contingencies (continued)**Federal and Stat Assisted Programs**

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

Coronavirus Disease (COVID-19)

During the fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to the County, COVID-19 is expected to impact various parts of its fiscal year 2021-2022 operations and financial results. Management believes the County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

Note 7 -Significant Effects of Subsequent Events

Events that occur between the end of the period covered by the financial statements and the statement issuance date that have a significant effect on the unit should be disclosed.

Note 8 - Restatements**Change in Account Principle**

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

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

Governmental activities Net Position - Increase (Decrease)	General Fund Balance - Increase (Decrease)	Nonmajor Special Revenue Fund Balance - Increase (Decrease)	Fiduciary Net Position - Custodial Fund - Increase (Decrease)
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357,801 Cash, taxes receivables and liabilities related to ad valorem and vehicle property taxes collected by the County on behalf of various municipalities were reclassified out of the Agency Fund into a newly created Municipal Tax Custodial Fund. The portion of liabilities attributable taxes receivable at the beginning of the year were restated as custodial net position.

Cash received under the Social Security Administration's Representative Payee Program net of liabilities owed for payments on behalf of beneficiaries were reclassified out of the Agency Fund into a newly created Representative Payee Special Revenue Fund. The portion of liabilities in the Agency Fund representing net cash available at the beginning of the year were restated as fund balance.

108,049		108,049	
<u>\$ 108,049</u>	<u>\$ -</u>	<u>\$ 108,049</u>	<u>\$ 357,801</u>

**REQUIRED
SUPPLEMENTAL FINANCIAL DATA**

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

- ~ Schedule of County's Proportionate Share of Net Pension Liability (Asset) for (LGERS)
- ~ Schedule of County Contributions (LGERS)

- ~ Schedule of TDA's Proportionate Share of Net Pension Liability (Asset) for (LGERS)
- ~ Schedule of TDA Contributions (LGERS)

- ~ Schedule of County's Proportionate Share of Net Pension Asset Register of Deeds'

- ~ Schedule of County Contributions Register of Deeds' Supplemental Pension Fund

- ~ Schedule of Changes in Total Pension Liability for the Law Enforcement Officers' Special Separation Allowance.

- ~ Schedule of Liability as a Percentage of Covered Payroll for the Law Enforcement Officers' Special Separation Allowance.

- ~ Schedule of Changes in the Total OPEB Liability and Related Ratios

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

Local Government Employees' Retirement System				
	2021	2020	2019	2018
County's proportion of the net pension liability (asset) (%)	0.19083%	0.21218%	0.21986%	0.21724%
County's proportion of the net pension liability (asset) (\$)	\$ 6,819,169	\$ 5,794,470	\$ 5,215,831	\$ 3,318,825
County's covered payroll	\$ 13,250,221	\$ 13,534,969	\$13,256,124	\$ 12,457,196
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	51.46%	42.81%	39.35%	26.64%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	90.86%	91.63%	94.18%
	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.20088%	0.20260%	0.20307%	0.21170%
County's proportion of the net pension liability (asset) (\$)	\$ 4,263,347	\$ 909,257	\$(1,197,597)	\$ 2,551,798
County's covered payroll	\$ 11,843,244	\$ 11,883,802	\$11,508,246	\$ 11,508,426
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	36.00%	7.65%	-10.41%	22.17%
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%

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

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

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

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

Local Government Employees' Retirement System				
	2021	2020	2019	2018
Contractually required contribution	\$ 1,410,130	\$ 1,225,276	\$ 1,070,611	\$ 985,875
Contributions in relation to the contractually required contribution	1,410,130	1,225,276	1,070,611	985,875
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 13,627,326	\$ 13,250,221	\$ 13,534,969	\$ 13,256,124
Contributions as a percentage of covered payroll	10.35%	9.25%	7.91%	7.44%
	2017	2016	2015	2014
Contractually required contribution	\$ 792,557	\$ 795,724	\$ 844,790	\$ 813,633
Contributions in relation to the contractually required contribution	792,557	795,724	844,790	813,633
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 12,457,196	\$ 11,843,244	\$ 11,883,802	\$ 11,508,246
Contributions as a percentage of covered payroll	6.36%	6.72%	7.11%	7.07%

* Information is not required to be presented retroactively.

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

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

Local Government Employees' Retirement System				
	2021	2020	2019	2018
TDA's proportion of the net pension liability (asset) (%)	0.0013%	0.0015%	0.0007%	0.0021%
TDA's proportion of the net pension liability (asset) (\$)	\$ 46,711	\$ 39,692	\$ 15,647	\$ 31,529
TDA's covered payroll	\$ 94,369	\$ 93,242	\$ 88,738	\$ 104,508
TDA's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	49.50%	42.57%	17.63%	30.17%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	90.86%	91.63%	94.18%
	2017	2016	2015	2014
TDA's proportion of the net pension liability (asset) (%)	0.0019%	0.0019%	0.0018%	0.0019%
TDA's proportion of the net pension liability (asset) (\$)	\$ 40,502	\$ 8,547	\$ (10,898)	\$ 23,221
TDA's covered payroll	\$ 103,045	\$ 101,738	\$ 98,367	\$ 11,508,426
TDA's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	39.31%	8.40%	-11.08%	0.20%
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%

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

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

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

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

Local Government Employees' Retirement System				
	2021	2020	2019	2018
Contractually required contribution	\$ 9,824	\$ 8,393	\$ 7,291	\$ 6,717
Contributions in relation to the contractually required contribution	9,824	8,393	7,291	6,717
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TDA's covered payroll	\$ 95,127	\$ 94,369	\$ 93,242	\$ 88,738
Contributions as a percentage of covered payroll	10.33%	8.89%	7.82%	7.57%
	2017	2016	2015	2014
Contractually required contribution	\$ 7,671	\$ 6,976	\$ 7,172	\$ 6,935
Contributions in relation to the contractually required contribution	7,671	6,976	7,172	6,935
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TDA's covered payroll	\$ 104,508	\$ 103,045	\$ 101,738	\$ 98,367
Contributions as a percentage of covered payroll	7.34%	6.77%	7.05%	7.05%

* Information is not required to be presented retroactively.

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's proportionate share of the net pension liability (%)	0.3338%	0.2764%	0.3547%	0.3568%
County's proportionate share of the net pension liability (\$)	\$ (76,489)	\$ (54,571)	\$ (60,551)	\$ (60,899)
Plan fiduciary net position as a percentage of the total pension liability **	173.62%	154.11%	153.31%	153.77%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportionate share of the net pension liability (%)	0.3612%	0.37046	0.381%	0.350%
County's proportionate share of the net pension liability (\$)	\$ (67,524)	\$ (85,850)	\$ (86,355)	\$ (74,850)
Plan fiduciary net position as a percentage of the total pension liability **	160.17%	197.29%	193.88%	190.50%

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

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

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's required contribution	\$ 3,347	\$ 2,917	\$ 4,871	\$ 4,248
Contributions in relation to contractually required contribution	<u>3,347</u>	<u>2,917</u>	<u>4,871</u>	<u>4,248</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's required contribution	\$ 4,123	\$ 2,951	\$ 2,964	\$ 3,111
Contributions in relation to contractually required contribution	<u>4,123</u>	<u>2,951</u>	<u>2,964</u>	<u>3,111</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

* Information is not required to be presented retroactively.

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

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

	2021	2020	2019	2018	2017
Beginning Balance	\$ 978,974	\$ 865,373	\$ 860,596	\$ 745,443	\$ 728,452
Service Cost	49,361	43,953	41,506	35,825	35,498
Interest on the total pension liability	31,527	31,023	26,504	27,884	25,524
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	13,903	36,274	14,105	41,296	-
Changes of assumptions or other inputs	376,858	28,518	(33,631)	56,288	(17,044)
Benefit payments	(23,768)	(26,167)	(43,707)	(46,140)	(26,987)
Other changes	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 1,426,855</u>	<u>\$ 978,974</u>	<u>\$ 865,373</u>	<u>\$ 860,596</u>	<u>\$ 745,443</u>

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

* Information is not required to be presented retroactively.

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$1,426,855	\$ 978,974	\$ 865,373	\$ 860,596	\$ 745,443
Covered payroll	1,824,999	1,888,184	1,601,700	1,421,180	1,300,214
Total pension liability as a percentage of covered payroll	78.18%	51.85%	54.03%	60.56%	57.33%

Notes to the schedules:

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

* Information is not required to be presented retroactively.

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

Vance County, North Carolina
Schedule of Changes in Total OPEB Liability and Related Ratios
Last Four Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 756,571	\$ 677,211	\$ 794,652	\$ 900,386
Interest	754,298	724,379	738,161	655,838
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(5,205,120)	18,280	(2,223,909)	25,782
Changes of assumptions	3,542,636	1,266,106	(890,254)	(2,077,733)
Benefit payments	(512,604)	(512,404)	(551,531)	(565,191)
Net change in total OPEB liability	<u>(664,219)</u>	<u>2,173,572</u>	<u>(2,132,881)</u>	<u>(1,060,918)</u>
Total OPEB liability - beginning	<u>21,048,902</u>	<u>18,875,330</u>	<u>21,008,211</u>	<u>22,069,129</u>
Total OPEB liability - ending	<u>\$ 20,384,683</u>	<u>\$ 21,048,902</u>	<u>\$ 18,875,330</u>	<u>\$ 21,008,211</u>
 Covered payroll	 \$ 11,864,184	 \$ 12,171,656	 \$ 12,171,653	 \$ 10,700,818
Total OPEB liability as a percentage of covered payroll	 171.82%	 172.93%	 155.08%	 196.32%

Notes to Schedule

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

<u>Fiscal Year</u>	<u>Rate</u>
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

GENERAL FUND

The General Fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.

Vance County, North Carolina
General Fund
Combining Balance Sheet
For the Year Ended June 30, 2021

	General Fund	Revaluation Fund	Debt Service Fund	School Debt Service Fund	Facility Fees Fund	LEOSSA Pension Fund	Totals June 30, 2021
ASSETS							
Cash and cash equivalents	\$ 26,032,572	\$ -	\$ 541	\$ -	\$ -	\$ 311,588	\$ 26,344,701
Restricted Cash	31,980	383,557	-	-	-	-	415,537
Receivables:							-
Property Tax	1,165,795	-	-	-	-	-	1,165,795
Accounts receivable	1,911,382	-	-	-	3,403	-	1,914,785
Due from other governments	275,755	-	-	-	801	-	276,556
Due from other funds	67,422	-	-	-	-	-	67,422
Total assets	<u>\$ 29,484,906</u>	<u>\$ 383,557</u>	<u>\$ 541</u>	<u>\$ -</u>	<u>\$ 4,204</u>	<u>\$ 311,588</u>	<u>\$ 30,184,796</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 1,933	\$ -	\$ 1,933
Accounts payable and accrued liabilities	1,800,438	-	-	-	412	-	1,800,850
Unspent Grant Proceeds	0	-	-	-	-	-	-
Due to other governments	19,986	-	-	-	-	-	19,986
Total liabilities	<u>1,820,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,345</u>	<u>-</u>	<u>1,822,769</u>
Deferred inflows of resources							
Prepaid taxes	202,654	-	-	-	-	-	202,654
Reserve for taxes receivable	1,165,795	-	-	-	-	-	1,165,795
Total deferred inflows of resources	<u>1,368,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,368,449</u>
Fund balances:							
Restricted							
Stabilization by state statute	2,254,559	-	-	-	4,204	-	2,258,763
Tax revaluation	-	383,557	-	-	-	-	383,557
Facility improvements	-	-	-	-	1,859	-	1,859
Committed							
LEO SSA Pension and OPEB benefits	-	-	-	-	-	311,588	311,588
Animal Shelter Reserve	31,980	-	-	-	-	-	31,980
Assigned							
Subsequent years' expenditures	1,994,887	-	-	-	-	-	1,994,887
Unassigned	22,014,607	-	541	-	(4,204)	-	22,010,944
Total fund balances	<u>26,296,033</u>	<u>383,557</u>	<u>541</u>	<u>-</u>	<u>1,859</u>	<u>311,588</u>	<u>26,993,578</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 29,484,906</u>	<u>\$ 383,557</u>	<u>\$ 541</u>	<u>\$ -</u>	<u>\$ 4,204</u>	<u>\$ 311,588</u>	<u>\$ 30,184,796</u>

**Vance County, North Carolina
General Fund
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2021**

	General Fund	Revaluation Reserve Fund	Debt Service Fund	School Debt Service Fund	Facility Fees Fund	LEOSSA Pension Fund	Totals June 30, 2021
Revenues							
Ad valorem taxes	\$ 25,792,196	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,792,196
Local option	12,752,665	-	-	-	-	-	12,752,665
Other taxes and licenses	76,708	-	-	-	-	-	76,708
Unrestricted intergovernmental	508,796	-	-	-	-	-	508,796
Restricted intergovernmental	8,567,707	-	-	-	43,326	-	8,611,033
Sales service	3,274,703	-	-	-	-	-	3,274,703
Investment earnings	6,961	42	7	-	21	60	7,091
Miscellaneous other	286,866	-	-	-	-	-	286,866
Total revenues	<u>51,266,602</u>	<u>42</u>	<u>7</u>	<u>-</u>	<u>43,347</u>	<u>60</u>	<u>51,310,058</u>
Expenditures							
General Government	4,927,499	-	-	-	24,640	-	4,952,139
Public safety	14,242,268	-	-	-	-	-	14,242,268
Transportation	28,750	-	-	-	-	-	28,750
Environmental protection	18,900	-	-	-	-	-	18,900
Economic and community development	1,082,170	-	-	-	-	-	1,082,170
Human services	10,970,014	-	-	-	-	-	10,970,014
Cultural and recreational	1,957,813	-	-	-	-	-	1,957,813
Education	10,248,354	-	-	-	-	-	10,248,354
Debt Services							
Principal	407,923	-	195,362	1,136,398	-	-	1,739,683
Interest and fees	35,262	-	81,051	211,459	-	-	327,772
Total expenditures	<u>43,918,953</u>	<u>-</u>	<u>276,413</u>	<u>1,347,857</u>	<u>24,640</u>	<u>-</u>	<u>45,567,863</u>
Revenues over (under) expenditures	<u>7,347,649</u>	<u>42</u>	<u>(276,406)</u>	<u>(1,347,857)</u>	<u>18,707</u>	<u>60</u>	<u>5,742,195</u>
Other financing sources (uses):							
Installment purchase obligations issued	7,435,000	-	-	-	-	-	7,435,000
Principal Retirement - Refinancing	(7,386,000)	-	-	-	-	-	(7,386,000)
Transfers in	1,079,511	48,000	284,408	1,347,857	-	-	2,759,776
Transfers out	(3,751,368)	-	(8,002)	-	(18,706)	-	(3,778,076)
Proceeds from lease obligations	223,265	-	-	-	-	-	223,265
Contingency	(54,193)	-	-	-	-	-	(54,193)
Sales of fixed assets	21,191	-	-	-	-	-	21,191
Total other financing sources (uses)	<u>(2,432,594)</u>	<u>48,000</u>	<u>276,406</u>	<u>1,347,857</u>	<u>(18,706)</u>	<u>-</u>	<u>(779,037)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>4,915,055</u>	<u>48,042</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>60</u>	<u>4,963,158</u>
Fund balances, beginning	<u>21,380,978</u>	<u>335,515</u>	<u>541</u>	<u>-</u>	<u>1,858</u>	<u>311,528</u>	<u>22,030,420</u>
Fund balances, ending	<u>\$ 26,296,033</u>	<u>\$ 383,557</u>	<u>\$ 541</u>	<u>\$ -</u>	<u>\$ 1,859</u>	<u>\$ 311,588</u>	<u>\$ 26,993,578</u>

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

	2021		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Ad Valorem taxes			
Taxes	\$ 24,832,550	\$ 25,577,794	\$ 745,244
Penalties and interest	154,000	214,402	60,402
Total	24,986,550	25,792,196	805,646
Local option sales tax			
Article 39 one percent	4,557,821	5,840,618	1,282,797
Article 40 one - half of one percent	2,884,294	3,437,545	553,251
Article 42 one - half of one percent	2,438,539	3,474,502	1,035,963
Hold Harmless	(770,363)	-	770,363
Total	9,110,291	12,752,665	3,642,374
Other taxes and licenses			
Real estate transfer tax	18,000	31,585	13,585
Motor Vehicle rental tax	30,000	42,382	12,382
Privilege licenses	2,750	2,741	(9)
Total	50,750	76,708	25,958
Unrestricted intergovernmental			
Beer and wine tax	130,000	126,453	(3,547)
ABC Distribution	100,000	270,145	170,145
Video franchise fees	122,000	112,198	(9,802)
Total	352,000	508,796	156,796
Restricted intergovernmental			
Federal, State, and local grants	7,720,537	7,152,794	(567,743)
H.L. Perry Library	-	463,790	463,790
Vance County Housing Authority	-	243,602	243,602
911 fees	744,137	619,107	(125,030)
Covid-19 Funding	132,221	58,257	(73,964)
ABC bottle tax	20,000	30,157	10,157
Total	8,616,895	8,567,707	(49,188)

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

	2021		Variance Positive (Negative)
	Budget	Actual	
Sales and services			
Animal Shelter	106,136	136,650	30,514
4H service	17,000	9,408	(7,592)
DSS local fees	50,600	23,090	(27,510)
City of Henderson- tax collections fees	180,272	155,199	(25,073)
Planning fees	8,000	-	(8,000)
Elections	49,614	48,223	(1,391)
Rent	26,500	26,778	278
Sale of maps and ordinance	50	-	(50)
Fire incident billing reimbursement	8,500	2,518	(5,982)
Law enforcement fees	567,500	335,961	(231,539)
Jail fees	339,100	351,599	12,499
Ambulance fees	1,700,000	1,341,207	(358,793)
Register of deeds	272,500	362,919	90,419
Inspection fees	300,000	352,244	52,244
Tax foreclosure fees	-	102,670	102,670
Vance County TDA fees	28,000	26,237	(1,763)
Total	<u>3,653,772</u>	<u>3,274,703</u>	<u>(379,069)</u>
Investment earnings	300,000	6,961	(293,039)
Total	<u>300,000</u>	<u>6,961</u>	<u>(293,039)</u>
Miscellaneous:			
Fines	600	1,625	1,025
Other revenues	75,421	285,241	209,820
Total	<u>76,021</u>	<u>286,866</u>	<u>210,845</u>
Total revenues	<u>47,146,279</u>	<u>51,266,602</u>	<u>4,120,323</u>
Expenditures			
General Government:			
Governing body:			
Salaries and employee benefits		119,101	
Other operating expenditures		229,371	
Total	<u>380,620</u>	<u>348,472</u>	<u>32,148</u>
Administration and finance:			
Salaries and employee benefits		820,674	
Other operating expenditures		89,148	
Capital outlay		70,729	
Total	<u>1,065,110</u>	<u>980,551</u>	<u>84,559</u>

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

	2021		Variance
	Budget	Actual	Positive (Negative)
Elections:			
Salaries and employee benefits		208,455	
Other operating expenditures		93,173	
Capital outlay		253,240	
Total	554,903	554,868	35
Taxes:			
Salaries and employee benefits		551,059	
Other operating expenditures		168,325	
Capital Outlay		-	
Total	721,356	719,384	1,972
County Attorney:			
Contracted Services		21,145	
Capital outlay		-	
Total	67,300	21,145	46,155
Court facilities:			
Salaries and employee benefits		181,246	
Other operating expenditures		194,145	
Capital outlay	-	-	
Total	418,332	375,391	42,941
Register of deeds:			
Salaries and employee benefits		223,801	
Other operating expenditures		62,147	
Total	423,573	285,948	137,625
Public Buildings			
Salaries and employee benefits		189,669	
Other operating expenditures		249,179	
Capital Outlay		207,310	
Total	882,538	646,158	236,380
Central Services			
Salaries and employee benefits		-	
Other operating expenditures		73,714	
Capital Outlay		180,894	
Retiree health insurance		421,479	
Total	859,787	676,087	183,700
Management Information Systems			
Salaries and employee benefits		239,710	
Other operating expenditures		62,994	
Capital outlay		16,791	
Total	319,548	319,495	53
Total General Government	5,693,067	4,927,499	765,568

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

	2021		Variance Positive (Negative)
	Budget	Actual	
Public safety:			
Sheriff:			
Salaries and employee benefits		3,796,936	
Other operating expenditures		556,605	
Capital outlay		287,317	
Total	5,069,244	4,640,858	428,386
Jail:			
Salaries and employee benefits		2,533,753	
Other operating expenditures		1,586,540	
Total	4,123,470	4,120,293	3,177
Sheriff's interdiction program			
Other operating expenditures		6,073	
Total	11,261	6,073	5,188
Fire and ambulance			
Salaries and employee benefits		2,484,016	
Other operating expenditures		807,055	
Capital outlay		33,816	
Total	4,254,570	3,324,887	929,683
E911 communications			
Salaries and employee benefits		1,260,938	
Other operating expenditures		174,367	
Capital outlay		72,834	
Total	1,620,971	1,508,139	112,832
Animal control:			
Salaries and employee benefits		306,050	
Other operating expenditures		183,043	
Capital outlay		-	
Total	526,815	489,093	37,722
Rescue squad			
Contracted services		101,375	
Total	101,375	101,375	-
Medical examiner			
Contracted services		45,550	
Total	50,000	45,550	4,450
Crime stoppers			
Other operating expenditures		-	-
Total	500	-	500

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

	2021		Variance Positive (Negative)
	Budget	Actual	
Beaver management			
Other operating expenditures		6,000	
Total	6,000	6,000	-
Total public safety	15,764,206	14,242,268	1,521,938
Transportation			
Contribution to regional airport		28,750	
	28,750	28,750	-
Environmental Protection			
Demolitions and removals		18,900	
	47,500	18,900	28,600
Economic and Community Development:			
Economic development:			
Salaries and employee benefits		113,369	
Other operating expenditures		65,411	
	227,172	178,780	48,392
Soil and water conservation:			
Salaries and employee benefits		108,603	
Other operating expenditures		5,178	
	121,899	113,781	8,118
Planning:			
Salaries and employee benefits		419,105	
Other operating expenditures		87,940	
Total	589,200	507,045	82,155
Contributions to other agencies:			
Kerr Tar Regional COG membership dues		18,851	
Economic Development Commission		54,000	
Various other agencies		1,863	
Total	78,266	74,714	3,552
Farmers Market			
Salaries and employee benefits		15,859	
Other operating expenditures		16,796	
Total	32,696	32,655	41
Cooperative extensions:			
Salaries and employee benefits		2,438	
Other operating expenditures		29,108	
Capital outlay		143,649	
Total	187,073	175,195	11,878

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

	2021		Variance Positive (Negative)
	Budget	Actual	
Total Economic and Physical Development	1,236,306	1,082,170	154,136
Human Services:			
Health:			
Administration:			
Other operating expenditures		43,509	
Contracted Services- GVHD		770,000	
Capital outlay		-	
Total	825,744	813,509	12,235
Mental health:			
Administration:			
Other operating expenditures		277,311	
Total	277,311	277,311	-
Social services:			
Administration:			
Salaries and employee benefits		5,464,064	
Other operating expenditures		2,239,265	
Public assistance payments		284,658	
Work First assistance payments		144,904	
Covid-19 payments		47,020	
Total	9,831,434	8,179,911	1,651,523
Aging services:			
Administration:			
Salaries and employee benefits		513,032	
Other operating expenditures		169,525	
Total	813,500	682,557	130,943
Nutritional meals:			
Administration:			
Salaries and employee benefits		11,032	
Other operating expenditures		28,240	
Purchased meals		72,906	
Total	127,123	112,178	14,945
Smart Start:			
Administration:			
Salaries and employee benefits		48,588	
Contracted services		8,847	
Operating expenditures		7,615	
Total	76,074	65,050	11,024

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

	2021		Variance
	Budget	Actual	Positive (Negative)
Veterans services:			
Salaries and employee benefits		116,957	
Other operating expenditures		7,936	
Total	127,408	124,893	2,515
Vance County Housing Authority:			
Salaries and employee benefits		243,188	
Other operating expenditures		-	
Total	-	243,188	(243,188)
NYPUM Program:			
Contracted Services		124,472	
Operating expenditures		49,181	
Total	173,658	173,653	5
Pal-to-Pal Program:			
Contracted services		49,701	
Operating expenditures		2,172	
Total	74,749	51,873	22,876
Other Human Services Contributions:			
Lifeline	2,000	-	2,000
FVW Opportunities	12,000	12,000	-
K.A.R.T.S.	123,450	45,819	77,631
Central Children's Home	-	-	-
Smart Start	5,500	5,500	-
Boys and Girls Club	27,000	50,000	(23,000)
JCPC	24,195	55,137	(30,942)
KWA Financial Asst	-	-	-
Other contributions	209,529	77,435	132,094
Total	403,674	245,891	157,783
Total Human Services	12,730,675	10,970,014	1,760,661
Cultural and recreational:			
Recreation:			
Operating expenditures- City of Henderson	759,690	679,589	80,101
Arts Council:			
Operating expenditures	2,000	2,000	-
Libraries			
Salaries and employee benefits	-	578,040	(578,040)
Contribution to regional library	-	698,184	(698,184)
Total	698,190	1,276,224	(578,034)
Total cultural and recreational	1,459,880	1,957,813	(497,933)

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

	2021		Variance
	Budget	Actual	Positive (Negative)
Education:			
Public schools- current	8,432,440	8,432,436	4
Public schools- capital outlay	625,000	625,000	-
Community colleges- current	1,149,698	1,149,698	-
Community colleges-capital outlay	41,220	41,220	-
Total Education	10,248,358	10,248,354	4
Debt service:			
Debt principal	451,023	407,923	43,100
Interest and fees	39,175	30,184	8,991
Bond issuance cost	-	5,078	(5,078)
Total debt service	490,198	443,185	47,013
Total expenditures	47,698,940	43,918,953	3,779,987
Revenue over (under) expenditures	(552,661)	7,347,649	7,900,310
Other Financing Sources (Uses):			
Transfers to other funds	(3,312,070)	(3,751,368)	(439,298)
Transfers from other funds	1,111,378	1,079,511	(31,867)
Total operating transfers	(2,200,692)	(2,671,857)	(471,165)
Proceeds from lease obligation	695,922	223,265	(472,657)
Installment Proceeds - Refinancing	-	7,435,000	7,435,000
Principal Retirement - Refinancing	-	(7,386,000)	(7,386,000)
Sale of fixed assets	40,000	21,191	(18,809)
Contingency	(144,700)	(54,193)	90,507
Appropriated fund balance	2,162,131	-	(2,162,131)
Total other financing sources (uses)	552,661	(2,432,594)	(2,985,255)
Net change in fund balance	\$ -	4,915,055	\$ 4,915,055
Fund balance, beginning		21,380,978	
Fund balance, ending		\$ 26,296,033	

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

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ 6,000	\$ 42	\$ (5,958)
Total revenues	<u>6,000</u>	<u>42</u>	<u>(5,958)</u>
Expenditures			
General Government			
Tax revaluation	390,700	-	390,700
Total Expenditures	<u>390,700</u>	<u>-</u>	<u>390,700</u>
Revenue over (under) expenditures	<u>(384,700)</u>	<u>42</u>	<u>384,742</u>
Other Financing Sources (Uses)			
Transfer from General Fund	48,000	48,000	-
Fund Balance Appropriated	<u>336,700</u>	<u>-</u>	<u>(336,700)</u>
Total other financing sources	<u>384,700</u>	<u>48,000</u>	<u>(336,700)</u>
Revenues and appropriated fund balance over (under) expenditures	\$ <u><u>-</u></u>	48,042	\$ <u><u>48,042</u></u>
Fund balance, beginning		<u>335,515</u>	
Fund balance, ending		\$ <u><u>383,557</u></u>	

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

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ 1,000	\$ 7	\$ (993)
Total revenues	<u>1,000</u>	<u>7</u>	<u>(993)</u>
Expenditures			
Debt Service			
Principal retirement	240,185	195,362	44,823
Interest and fees	104,692	81,051	23,641
Total Expenditures	<u>344,877</u>	<u>276,413</u>	<u>68,464</u>
Revenue over (under) expenditures	<u>(343,877)</u>	<u>(276,406)</u>	<u>67,471</u>
Other Financing Sources (Uses)			
Transfer from General Fund	351,880	284,408	(67,472)
Transfer to General Fund	(8,003)	(8,002)	1
Total other financing sources	<u>343,877</u>	<u>276,406</u>	<u>(67,471)</u>
Revenue and other financing sources over (under) expenditures	\$ <u>-</u>	- \$ <u>-</u>	
Fund balance, beginning		<u>541</u>	
Fund balance, ending		\$ <u><u>541</u></u>	

Vance County, North Carolina
School Debt Service Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ -	\$ -
Total revenues	-	-	-
Expenditures			
Debt Service			
Principal retirement	1,218,593	1,136,398	82,195
Interest and fees	152,959	211,459	(58,500)
Total Expenditures	1,371,552	1,347,857	23,695
Revenue over (under) expenditures	(1,371,552)	(1,347,857)	23,695
Other Financing Sources (Uses)			
Transfer from General Fund	1,371,552	1,347,857	(23,695)
Total other financing sources	1,371,552	1,347,857	23,695
Revenues and appropriated fund balance over (under) expenditures	\$ -	-	\$ 47,390
Fund balance, beginning		-	
Fund balance, ending		\$ -	

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

	Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted intergovernmental	\$ 80,000	\$ 43,326	\$ (36,674)
Investment earnings	100	21	(79)
Total revenues	<u>80,100</u>	<u>43,347</u>	<u>(36,753)</u>
Expenditures			
General Government			
Courthouse facility fees	21,525	24,640	(3,115)
Total Expenditures	<u>21,525</u>	<u>24,640</u>	<u>(3,115)</u>
Revenue over (under) expenditures	<u>58,575</u>	<u>18,707</u>	<u>(39,868)</u>
Other Financing Sources (Uses)			
Transfer to General Fund	(58,575)	(18,706)	39,869
Total other financing sources	<u>(58,575)</u>	<u>(18,706)</u>	<u>39,869</u>
Revenue and other financing sources over (under) expenditures	\$ <u>-</u>	1	\$ <u>1</u>
Fund balance, beginning		<u>1,858</u>	
Fund balance, ending		\$ <u>1,859</u>	

Vance County, North Carolina
Law Enforcement Officers Special Separation Allowance
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ 7,000	\$ 60	\$ (6,940)
Total revenues	<u>7,000</u>	<u>60</u>	<u>(6,940)</u>
Expenditures			
Public Safety			
LEO Separation allowance benefit	320,500	-	320,500
Total Expenditures	<u>320,500</u>	<u>-</u>	<u>320,500</u>
Revenue over (under) expenditures	<u>(313,500)</u>	<u>60</u>	<u>313,560</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated	<u>313,500</u>	-	<u>(313,500)</u>
Total other financing sources	<u>313,500</u>	<u>-</u>	<u>(313,500)</u>
Revenue and other financing sources over (under) expenditures	\$ <u><u>-</u></u>	60	\$ <u><u>60</u></u>
Fund balance, beginning		<u>311,528</u>	
Fund balance, ending		\$ <u><u>311,588</u></u>	

OTHER MAJOR GOVERNMENTAL FUNDS

Vance County, North Carolina
Capital Projects Fund - General Capital Projects Fund
General Capital Projects Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From Inception and for the the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Closed out Projects	Total To Date	Variance Positive (Negative)
Revenues						
Restricted intergovernmental- Grants and donations						
Farmers Market	\$	\$ 610,514	\$ -	\$ (610,514)	\$ -	\$ -
COVID-19 Revenue	1,922,169	92,593	889,560	-	982,153	(940,016)
ARPA Revenue	8,650,402	-	-	-	-	(8,650,402)
Investment earnings	-	2,112	1	-	2,113	2,113
Total revenues	10,572,571	705,219	889,561	(610,514)	984,266	(9,588,305)
Expenditures						
Economic & community development						
Farmers market						
Contracted Services	-	7,119	-	(7,119)	-	-
Construction	-	644,381	-	(644,381)	-	-
County Buildings						
Legal and fiscal-						
Debt issuance cost	-	52,111	7,500	(52,111)	7,500	(7,500)
Contracted Services	-	276,601	-	-	276,601	(276,601)
Construction	6,703,234	1,261,690	4,729,978	-	5,991,668	711,566
Contingency	289,266	-	3,607	-	3,607	285,659
Animal shelter						
Legal and fiscal-						
Debt issuance cost	-	39,301	-	(39,301)	-	-
Contracted Services	-	87,930	-	(87,930)	-	-
Construction	-	1,551,951	-	(1,551,951)	-	-
Contingency	-	62,908	-	(62,908)	-	-
Vance Granville Community College						
Administration	-	70,629	-	(70,629)	-	-
Contracted Services	-	90,665	-	(90,665)	-	-
Construction	-	843,468	-	(843,468)	-	-
COVID-19 Expenditures	1,922,169	92,593	1,255,193	-	1,347,786	574,383
ARPA Expenditures	8,650,402	-	-	-	-	8,650,402
Debt Service						
Debt issuance costs	-	2,809	-	(2,809)	-	-
Total expenditures	17,565,071	5,084,156	5,996,278	(3,453,272)	7,627,162	9,937,909
Revenue over (under) expenditures	(6,992,500)	(4,378,937)	(5,106,717)	2,842,758	(6,642,896)	349,604
Other Financing Sources (Uses)						
Installment financing proceeds	6,992,500	4,019,000	7,000,000	(2,672,692)	8,346,308	1,353,808
Installment purchase obligations issued	-	40,138	-	(40,138)	-	-
Operating transfers in	-	129,928	-	(129,928)	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources	6,992,500	4,189,066	7,000,000	(2,842,758)	8,346,308	1,353,808
Revenue and other sources over (under) expenditures	\$ -	\$ (189,871)	1,893,283	\$ -	\$ 1,703,412	\$ 1,703,412
Fund balance, beginning			(189,871)			
Fund balance, ending			\$ 1,703,412			
Amounts reported for revenues, expenditures, and changes in fund balance are different from budget/actual statement due to consolidation of the General Capital Reserve Fund:						
Investment earnings			\$ 38			
Special Projects			(8,580)			
Transfers in			486,305			
Transfers out			(250,000)			
Fund balance , beginning, General Capital Reserve Fund			743,629			
Fund balance, ending , consolidated General Capital Project Fund			\$ 2,674,804			

Vance County, North Carolina
Capital Projects Fund - General Capital Reserve Fund
General Capital Reserve Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ 4,000	\$ 38	\$ (3,962)
Total revenues	<u>4,000</u>	<u>38</u>	<u>(3,962)</u>
Expenditures			
Public Safety			
Operating Expenses	490,305	8,580	481,725
Total expenditures	<u>490,305</u>	<u>8,580</u>	<u>481,725</u>
Revenue over (under) expenditures	<u>(486,305)</u>	<u>(8,542)</u>	<u>477,763</u>
Other Financing Sources (Uses)			
Operating transfers in	486,305	486,305	-
Operating transfers out	<u>-</u>	<u>(250,000)</u>	<u>250,000</u>
Total other financing sources	<u>486,305</u>	<u>236,305</u>	<u>250,000</u>
Revenue and other sources over (under) expenditures	\$ <u>-</u>	227,763	\$ <u>227,763</u>
Fund balance, beginning		<u>743,629</u>	
Fund balance, ending		<u>\$ 971,392</u>	

NON-MAJOR GOVERNMENTAL FUNDS

Non-Major Governmental Funds are Special Revenue Funds and Capital Projects Funds

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

	Special Revenue Funds	Capital Project Funds	Totals June 30, 2021
ASSETS			
Cash and cash equivalents	\$ 1,878,916	\$ -	\$ 1,878,916
Restricted cash	-	2,927,374	2,927,374
Receivables:			
Property tax	84,210	-	84,210
Accounts receivable	69,411	-	69,411
Due from other governments	68,292	-	68,292
Notes receivable	2,100	-	2,100
Total assets	<u>\$ 2,102,929</u>	<u>\$ 2,927,374</u>	<u>\$ 5,030,303</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 40,373	\$ -	\$ 40,373
Due to other funds	65,489	-	65,489
Total liabilities	<u>105,862</u>	<u>-</u>	<u>105,862</u>
DEFERRED INFLOWS OF RESOURCES			
Taxes Receivable	84,211	-	84,211
Notes Receivable	2,100	-	2,100
Total deferred inflows of resources	<u>86,311</u>	<u>-</u>	<u>86,311</u>
Fund balances:			
Restricted:			
Stabilization by state statute	139,803	-	139,803
Public safety	654,709	-	654,709
Capital Projects	-	2,927,374	2,927,374
Human services	112,646	-	112,646
School capital	-	-	-
Community development	1,069,087	-	1,069,087
Unassigned	(65,489)	-	(65,489)
Total fund balances	<u>1,910,756</u>	<u>2,927,374</u>	<u>4,838,130</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,102,929</u>	<u>\$ 2,927,374</u>	<u>\$ 5,030,303</u>

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

	Special Revenue Funds	Capital Project Funds	Totals June 30, 2021
Revenues			
Ad valorem taxes	\$ 1,723,576	\$ -	\$ 1,723,576
Restricted intergovernmental	2,508,404	384,776	2,893,180
Investment earnings	101	150	251
Total revenues	<u>4,232,081</u>	<u>384,926</u>	<u>4,617,007</u>
Expenditures			
Current:			
Public safety	2,238,405	-	2,238,405
Human services	139,490	-	139,490
Economic and physical development	1,460,456	-	1,460,456
Education	-	-	-
Debt Services			
Principal	-	-	-
Interest and fees	-	-	-
Total expenditures	<u>3,838,351</u>	<u>-</u>	<u>3,838,351</u>
Excess (deficiency) of revenues over expenditures	<u>393,730</u>	<u>384,926</u>	<u>778,656</u>
Other financing sources:			
Installment purchase obligations issued	-	-	-
Transfers in	-	2,932,655	2,932,655
Transfers (out)	<u>(177,803)</u>	<u>(1,972,857)</u>	<u>(2,150,660)</u>
Total other financing sources (uses)	<u>(177,803)</u>	<u>959,798</u>	<u>781,995</u>
Net change in fund balance	215,927	1,344,724	1,560,651
Fund balances, beginning, as previously reported	1,586,780	1,582,650	3,169,430
Prior Period Restatement - change in accounting principle	<u>108,049</u>	<u>-</u>	<u>108,049</u>
Fund balances, beginning, as restated	<u>1,694,829</u>	<u>1,582,650</u>	<u>3,277,479</u>
Fund balances, ending	<u>\$ 1,910,756</u>	<u>\$ 2,927,374</u>	<u>\$ 4,838,130</u>

Vance County, North Carolina
Non-Major Special Revenue Funds
Combining Balance Sheet
For the Year Ended June 30, 2021

	Emergency Telephone System Fund	Fire District Fund	Economic Development Fund	Neighborhood Development Fund	Representative Payee Fund	Totals June 30, 2021
ASSETS						
Cash and cash equivalents	\$ 244,636	\$ 450,447	\$ 1,071,187	\$ -	\$ 112,646	\$ 1,878,916
Receivables:						
Property Tax	-	84,210	-	-	-	84,210
Accounts receivable	44,381	25,030	-	-	-	69,411
Due from other governments	60,651	-	7,641	-	-	68,292
Notes Receivable	-	-	2,100	-	-	2,100
Total assets	<u>349,668</u>	<u>559,687</u>	<u>1,080,928</u>	<u>-</u>	<u>112,646</u>	<u>2,102,929</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	6,401	33,972	-	-	-	40,373
Due to other funds	-	-	-	65,489	-	65,489
Total liabilities	<u>6,401</u>	<u>33,972</u>	<u>-</u>	<u>65,489</u>	<u>-</u>	<u>105,862</u>
Deferred inflows of resources						
Taxes receivable	-	84,211	-	-	-	84,211
Notes receivable	-	-	2,100	-	-	2,100
Total deferred inflows of resources	<u>-</u>	<u>84,211</u>	<u>2,100</u>	<u>-</u>	<u>-</u>	<u>86,311</u>
Fund balances:						
Restricted						
Stabilization by state statute	105,032	25,030	9,741	-	-	139,803
Public safety	238,235	416,474	-	-	-	654,709
Human Services	-	-	-	-	112,646	112,646
Community Development	-	-	1,069,087	-	-	1,069,087
Unassigned	-	-	-	(65,489)	-	(65,489)
Total fund balances	<u>343,267</u>	<u>441,504</u>	<u>1,078,828</u>	<u>(65,489)</u>	<u>112,646</u>	<u>1,910,756</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 349,668</u>	<u>\$ 559,687</u>	<u>\$ 1,080,928</u>	<u>\$ -</u>	<u>\$ 112,646</u>	<u>\$ 2,102,929</u>

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

	Emergency Telephone System Fund	Fire District Funds	Economic Development Fund	Neighborhood Stabilization Fund	Representative Payee Fund	Totals June 30, 2021
Revenues						
Ad valorem taxes	\$ -	\$ 1,723,576	\$ -	\$ -	\$ -	\$ 1,723,576
Restricted intergovernmental	532,573	-	1,831,744	-	144,087	2,508,404
Investment earnings	101	-	-	-	-	101
Total	<u>532,674</u>	<u>1,723,576</u>	<u>1,831,744</u>	<u>-</u>	<u>144,087</u>	<u>4,232,081</u>
Expenditures						
Public safety	707,775	1,530,630	-	-	-	2,238,405
Human services	-	-	-	-	139,490	139,490
Economic and community development	-	-	1,460,456	-	-	1,460,456
Total	<u>707,775</u>	<u>1,530,630</u>	<u>1,460,456</u>	<u>-</u>	<u>139,490</u>	<u>3,838,351</u>
Excess (deficiency) of revenues over expenditures	<u>(175,101)</u>	<u>192,946</u>	<u>371,288</u>	<u>-</u>	<u>4,597</u>	<u>393,730</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(135,900)	(41,903)	-	-	(177,803)
Total other financing sources (uses)	<u>-</u>	<u>(135,900)</u>	<u>(41,903)</u>	<u>-</u>	<u>-</u>	<u>(177,803)</u>
Net change in fund balance	(175,101)	57,046	329,385	-	4,597	215,927
Fund balances, beginning, as previously reported	518,368	384,458	749,443	(65,489)	-	1,586,780
Prior Period Restatement - change in accounting principle	-	-	-	-	108,049	108,049
Fund balances, beginning, as restated	<u>518,368</u>	<u>384,458</u>	<u>749,443</u>	<u>(65,489)</u>	<u>108,049</u>	<u>1,694,829</u>
Fund balances, ending	<u>\$ 343,267</u>	<u>\$ 441,504</u>	<u>\$ 1,078,828</u>	<u>\$ (65,489)</u>	<u>\$ 112,646</u>	<u>\$ 1,910,756</u>

Vance County, North Carolina
Emergency Telephone System Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance
	Budget	Actual	Positive (Negative)
Revenues			
Restricted intergovernmental	\$ 532,573	\$ 532,573	\$ -
Investment earnings	5,000	101	(4,899)
Total	<u>537,573</u>	<u>532,674</u>	<u>(4,899)</u>
Expenditures			
Public safety			
E-911 Fund			
Operating expenditures	217,000	130,602	86,398
Capital outlay	833,941	577,173	256,768
Debt Services			
Principal retirement	-	-	-
Interest expense	-	-	-
Total expenditures	<u>1,050,941</u>	<u>707,775</u>	<u>343,166</u>
Revenue over (under) expenditures	<u>(513,368)</u>	<u>(175,101)</u>	<u>338,267</u>
Other Financing Sources (Uses)			
Transfer to general fund	-	-	-
Fund Balance Appropriated	<u>513,368</u>	-	<u>(513,368)</u>
Total other financing sources (uses)	<u>513,368</u>	-	<u>(513,368)</u>
Revenues and other financing sources over (under) expenditures	\$ <u>-</u>	(175,101)	\$ <u>(175,101)</u>
Fund balance, beginning		<u>518,368</u>	
Fund balance, ending		\$ <u><u>343,267</u></u>	

Vance County, North Carolina
Fire District Fund
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance
	Budget	Actual	Positive (Negative)
Revenues			
Ad valorem tax	\$ 1,623,596	\$ 1,723,576	\$ 99,980
Total Revenues	<u>1,623,596</u>	<u>1,723,576</u>	<u>99,980</u>
Expenditures			
Public Safety			
Contracted Services	1,507,945	1,377,074	130,871
Capital Outlay	156,254	153,556	2,698
Total Expenditures	<u>1,664,199</u>	<u>1,530,630</u>	<u>133,569</u>
Revenue over (under) expenditures	<u>(40,603)</u>	<u>192,946</u>	<u>233,549</u>
Other financing sources (uses):			
Transfer from general fund	-	-	-
Transfer to general fund	(135,900)	(135,900)	-
Fund Balance Appropriated	<u>176,503</u>	<u>-</u>	<u>(176,503)</u>
Total Other Financing Sources (Uses)	<u>40,603</u>	<u>(135,900)</u>	<u>(176,503)</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>57,046</u>	<u>\$ 57,046</u>
Fund balance, beginning		<u>384,458</u>	
Fund balance, ending		<u>\$ 441,504</u>	

Vance County, North Carolina
Economic Development Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	2021		Variance
	Budget	Actual	Positive (Negative)
Revenues			
Restricted Intergovernmental			
Lease income	\$ 110,249	\$ 110,250	\$ 1
Golden Leaf Foundation	-	50,000	50,000
TNCP Repayment	112,727	79,327	(33,400)
Triangle North Revenue Sharing	-	510,061	510,061
NC Ready Sites Grant	2,456,575	929,673	(1,526,902)
Homer Trust Funds	96,408	11,583	(84,825)
Town of Middleburg Loan	3,600	3,600	-
Sale of Land	-	137,250	137,250
Total revenues	<u>2,779,559</u>	<u>1,831,744</u>	<u>(947,815)</u>
Expenditures			
Economic and physical development			
Special projects- economic incentives	313,414	500,264	(186,850)
Legal Fiscal Cost	9,570	-	9,570
Contracted Services	297,500	74,560	222,940
Construction and Renovation	2,149,457	860,632	1,288,825
CDBG Refund		25,000	(25,000)
Contingency	9,618	-	9,618
Total expenditures	<u>2,779,559</u>	<u>1,460,456</u>	<u>1,319,103</u>
Revenue over (under) expenditures	<u>-</u>	<u>371,288</u>	<u>371,288</u>
Other Financing Sources (Uses)			
Transfer to general fund	-	(41,903)	(41,903)
Total other financing sources (uses)	<u>-</u>	<u>(41,903)</u>	<u>(41,903)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>329,385</u>	<u>\$ 329,385</u>
Fund balance, beginning		<u>749,443</u>	
Fund balance, ending		<u>\$ 1,078,828</u>	

Vance County, North Carolina
Neighborhood Stabilization Fund
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Totals to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
Federal grants					
Neighborhood Stabilization grant	\$ 2,100,000	\$ 1,467,541	\$ -	\$ 1,467,541	\$ (632,459)
Total Revenues	<u>2,100,000</u>	<u>1,467,541</u>	<u>-</u>	<u>1,467,541</u>	<u>(632,459)</u>
Expenditures					
Economic & community development					
Administration	100,000	170,695	-	170,695	(70,695)
Construction and redevelopment	1,067,000	1,126,424	-	1,126,424	(59,424)
Purchase and rehabilitation	<u>933,000</u>	<u>235,911</u>	<u>-</u>	<u>235,911</u>	<u>697,089</u>
Total Expenditures	<u>2,100,000</u>	<u>1,533,030</u>	<u>-</u>	<u>1,533,030</u>	<u>566,970</u>
Revenue over (under) expenditures	\$ <u>-</u>	\$ <u>(65,489)</u>	-	\$ <u>(65,489)</u>	\$ <u>(65,489)</u>
Fund balance, beginning			<u>(65,489)</u>		
Fund balance, ending			\$ <u>(65,489)</u>		

Vance County, North Carolina
Representative Payee Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	2021		Variance
	Budget	Actual	Positive (Negative)
Revenues			
Restricted intergovernmental	\$ -	\$ 144,087	\$ 144,087
			-
Expenditures			
Human Services			
Payments made for the benefit of			
beneficiaries	-	139,490	(139,490)
			-
Other Financing Sources (Uses)			
Fund Balance Appropriated	-	-	-
Net change in fund balance	\$ -	4,597	\$ 4,597
Fund balance, beginning as previously reported		-	-
Prior Period Restatement - change in accounting principle		108,049	
Fund balance, beginning, as restated		108,049	
Fund balance, ending		\$ 112,646	

CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Vance County, North Carolina
Non-major Governmental Funds: Capital Project Funds
Combining Balance Sheet
For the Year Ended June 30, 2021

	School Capital Projects Fund	Totals June 30, 2021
ASSETS		
Cash and cash equivalents	\$ -	\$ -
Restricted Cash	2,927,374	2,927,374
Accounts receivable	-	-
Due from other governments	-	-
Total assets	<u>\$ 2,927,374</u>	<u>\$ 2,927,374</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>
Fund balances:		
Restricted		
Capital projects	2,927,374	2,927,374
Unassigned	-	-
Total fund balances	<u>2,927,374</u>	<u>2,927,374</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,927,374</u>	<u>\$ 2,927,374</u>

Vance County, North Carolina
Non-major Governmental Funds: Capital Project Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2021

	School Capital Projects Fund	Totals June 30, 2021
Revenues		
Restricted intergovernmental	\$ 384,776	\$ 384,776
Investment earnings	150	150
Other		-
Total	<u>384,926</u>	<u>384,926</u>
Expenditures		
Public safety	-	-
Education	-	-
Total	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>384,926</u>	<u>384,926</u>
Other financing sources (uses):		
Installment purchase obligations issued	-	-
Transfers in	2,932,655	2,932,655
Transfers out	<u>(1,972,857)</u>	<u>(1,972,857)</u>
Total other financing sources (uses)	<u>959,798</u>	<u>959,798</u>
Net change in fund balance	1,344,724	1,344,724
Fund balances, beginning	<u>1,582,650</u>	<u>1,582,650</u>
Fund balances, ending	<u>\$ 2,927,374</u>	<u>\$ 2,927,374</u>

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

	Project Authorization	Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
Lottery proceeds	\$ 931,154	\$ 1,751,757	\$ -	\$ 1,751,757	\$ 820,603
Vance County Schools contribution	99,026	-	-	-	(99,026)
Investment earnings		18,375	-	18,375	18,375
Total revenues	<u>1,030,180</u>	<u>1,770,132</u>	<u>-</u>	<u>1,770,132</u>	<u>739,952</u>
Expenditures					
Education					
New Clarke Elementary School	14,016,545	13,789,232	-	13,789,232	227,313
Multi-purpose rooms, HVAC	3,952,945	3,651,049	-	3,651,049	301,896
Public School Facility Improvement	2,982,495	2,871,321	-	2,871,321	111,174
NVHS Science Labs	545,850	507,520	-	507,520	38,330
Total	<u>21,497,835</u>	<u>20,819,122</u>	<u>-</u>	<u>20,819,122</u>	<u>678,713</u>
Total Expenditures	<u>21,497,835</u>	<u>20,819,122</u>	<u>-</u>	<u>20,819,122</u>	<u>678,713</u>
Revenue over (under) expenditures	<u>(20,467,655)</u>	<u>(19,048,990)</u>	<u>-</u>	<u>(19,048,990)</u>	<u>1,418,665</u>
Other Financing Sources (Uses)					
Installment purchase obligations	18,924,320	18,924,320	-	18,924,320	-
Operating transfers in	<u>1,543,335</u>	<u>430,435</u>	<u>-</u>	<u>430,435</u>	<u>(1,112,900)</u>
Total other financing sources	<u>20,467,655</u>	<u>19,354,755</u>	<u>-</u>	<u>19,354,755</u>	<u>(1,112,900)</u>
Revenue and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 305,765</u>	<u>-</u>	<u>\$ 305,765</u>	<u>\$ 305,765</u>
Fund balance, beginning			<u>305,765</u>		
Fund balance, ending			<u>\$ 305,765</u>		
Amounts reported for revenues, expenditures, and changes in fund balance are different from budget/actual statement due to consolidation of the School Capital Reserve Fund:					
Investment earnings			\$ 150		
Lottery proceeds			384,776		
Transfers in			2,932,655		
Transfers out			(1,972,857)		
Fund balance , beginning, School Capital Reserve Fund			<u>1,276,885</u>		
Fund balance, ending , consolidated School Capital Projects			<u>\$ 2,927,374</u>		

Vance County, North Carolina
Capital Projects Fund - School Capital Reserve
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted intergovernmental			
QSCB interest reimbursement	\$ 93,216	\$ -	\$ (93,216)
Lottery proceeds	384,535	384,776	241
Investment earnings	12,000	150	(11,850)
Total revenues	<u>489,751</u>	<u>384,926</u>	<u>(104,825)</u>
Expenditures			
Education			
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenue over (under) expenditures	<u>489,751</u>	<u>384,926</u>	<u>(104,825)</u>
Other Financing Sources (Uses)			
Operating transfers in	2,162,704	2,932,655	769,951
Operating transfers out	(2,652,455)	(1,972,857)	679,598
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>(489,751)</u>	<u>959,798</u>	<u>1,449,549</u>
Revenue and other financing sources over (under) expenditures	\$ <u>-</u>	1,344,724	\$ <u>1,344,724</u>
Fund balance, beginning		<u>1,276,885</u>	
Fund balance, ending		<u>\$ 2,621,609</u>	

ENTERPRISE FUNDS

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

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

	2021		Variance
	Budget	Actual	Positive (Negative)
Operating Revenues			
Charges for services			
Household fees	\$ 2,230,481	\$ 2,303,398	\$ 72,917
Warren County manned site	43,000	48,435	5,435
Other operating revenues	15,000	22,297	7,297
Total Operating Revenues	<u>2,288,481</u>	<u>2,374,130</u>	<u>85,649</u>
Nonoperating Revenues (Expenditures)			
Federal, state and local grants	112,800	6,486	(106,314)
Intergovernmental taxes and fees	108,500	102,710	(5,790)
Total Nonoperating revenues	<u>221,300</u>	<u>109,196</u>	<u>(112,104)</u>
Total Revenues	<u>2,509,781</u>	<u>2,483,326</u>	<u>(26,455)</u>
Operating Expenditures			
Landfill operations			
Salaries and employee benefits	78,253	57,904	20,349
Operating expenditures	2,677,833	2,697,909	(20,076)
Contracted services	189,600	189,545	55
Capital outlay	-	-	-
Total Operating Expenditures	<u>2,945,686</u>	<u>2,945,358</u>	<u>328</u>
Total Revenues over Expenditures	<u>(435,905)</u>	<u>(462,032)</u>	<u>(26,127)</u>
Other Financing Sources (uses):			
Transfers in	-	-	-
Fund Balance Appropriated	435,905	-	(435,905)
Total Other Financing Sources	<u>435,905</u>	<u>-</u>	<u>(435,905)</u>
Revenues and other sources over (under) expenditures	\$ <u>-</u>	(462,032)	\$ <u>(462,032)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis			
Capital outlay		385,183	
Depreciation		(40,230)	
Increase (decrease) in deferred outflows of resources - pensions		1,443	
Increase (decrease) in deferred outflows of resources - OPEB		10,606	
(Increase) decrease in accrued compensated absences		5,329	
(Increase) decrease in net pension liability		(3,484)	
(Increase) decrease in OPEB liability		2,458	
(Increase) decrease in deferred inflows of resource - pensions		(748)	
(Increase) decrease in deferred inflows of resource - OPEB		(14,022)	
Decrease in accrued landfill closure costs		79,572	
Total reconciling items		<u>426,107</u>	
Change in net position		\$ <u>(35,925)</u>	

Vance County, North Carolina
Water District Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2021

	2021		Variance
	Budget	Actual	Positive (Negative)
Operating Revenues			
Charges for services			
Water sales and connection fees	\$ 959,300	\$ 1,232,158	\$ 272,858
Debt setoff Revenue	5,000	2,311	(2,689)
Other operating Revenues	16,504	-	(16,504)
Total Operating Revenues	<u>980,804</u>	<u>1,234,469</u>	<u>253,665</u>
Nonoperating Revenues (Expenditures)			
Investment earnings	<u>8,000</u>	<u>112</u>	<u>(7,888)</u>
Total Nonoperating revenues	<u>8,000</u>	<u>112</u>	<u>(7,888)</u>
 Total Revenues	 <u>988,804</u>	 <u>1,234,581</u>	 <u>245,777</u>
Operating Expenditures			
Water Operations			
Purchased water	268,000	238,476	29,524
Operating expenditures	121,896	150,004	(28,108)
Contracted services	<u>260,000</u>	<u>246,266</u>	<u>13,734</u>
Total	<u>650,396</u>	<u>634,746</u>	<u>15,650</u>
 Debt service			
Debt Principal	211,688	211,687	1
Interest and other charges	<u>334,030</u>	<u>334,030</u>	<u>-</u>
Total Debt service	<u>545,718</u>	<u>545,717</u>	<u>1</u>
 Total Operating expenditures	 <u>1,196,114</u>	 <u>1,180,463</u>	 <u>15,651</u>
 Revenues over expenditures	 <u>(207,310)</u>	 <u>54,118</u>	 <u>261,428</u>
 Other financing sources (uses):			
Transfers in	261,885	-	(261,885)
Capital Contributions	-	-	-
Debt Service Reserve	<u>(54,575)</u>	<u>-</u>	<u>54,575</u>
Total Other financing sources	<u>207,310</u>	<u>-</u>	<u>(207,310)</u>
 Revenues and other sources over (under) expenditures	 \$ <u>-</u>	 54,118	 \$ <u>54,118</u>
 Reconciliation from budgetary basis (modified accrual) to full accrual basis			
Capital outlay		-	
Debt principal		211,687	
Amortization		-	
Depreciation		(380,821)	
Increase in accrued interest		554	
Water District Capital Project Fund			
Federal and state grants		75,108	
Interest earnings from project		-	
Transfers		-	
Total reconciling items		<u>(93,472)</u>	
 Change in net position		 \$ <u>(39,354)</u>	

Vance County, North Carolina
Water District Capital Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Actual Completed Project	Total To Date	Variance Positive (Negative)
Revenues						
Restricted intergovernmental	\$ 1,477,048	\$ 1,067,641	\$ 75,108	\$ (1,142,749)	\$ -	\$ (1,477,048)
Local Match	11,057	-	-	-	-	(11,057)
Investment Earnings	-	1,031	-	(1,031)	-	-
Total Revenues	<u>1,488,105</u>	<u>1,068,672</u>	<u>75,108</u>	<u>(1,143,780)</u>	<u>-</u>	<u>(1,488,105)</u>
Expenditures						
Phase 2b						
Construction	25,000	25,000	-	(25,000)	-	25,000
Phase 3						
Legal	12,496	3,097	-	(3,097)	-	12,496
Contracted Services	149,770	143,185	61,100	(204,285)	-	149,770
Contingency	74,730	-	-	-	-	74,730
Construction	1,571,109	1,132,817	59,159	(1,191,976)	-	1,571,109
Land Easement	10,000	11,551	-	(11,551)	-	10,000
Total Expenditures	<u>1,843,105</u>	<u>1,315,650</u>	<u>120,259</u>	<u>(1,435,909)</u>	<u>-</u>	<u>1,843,105</u>
Other Financing Sources (Uses)						
USDA Loan	355,000	212,000	-	(212,000)	-	(355,000)
Operating transfer in	-	11,057	-	(11,057)	-	-
Total Other Financing Sources	<u>355,000</u>	<u>223,057</u>	<u>-</u>	<u>(223,057)</u>	<u>-</u>	<u>(355,000)</u>
Revenues and other sources over (under) expenditures						
	<u>\$ -</u>	<u>\$ (23,921)</u>	<u>\$ (45,151)</u>	<u>\$ 69,072</u>	<u>\$ -</u>	<u>\$ -</u>

CUSTODIAL FUNDS

Custodial funds are used to account for assets held by the county as an agent for individuals
or other governments.

**Vance County
Agency Funds
Combining Statement of Fiduciary Assets and Liabilities
June 30, 2021**

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 35,603	\$ 35,603
Taxes receivable for other governments, net	283,615	-	283,615
Total assets	<u>283,615</u>	<u>35,603</u>	<u>319,218</u>
LIABILITIES			
Accounts payable and accrued liabilities	-	-	-
Due to other governments	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted for:			
Individuals, organizations, and other	283,615	35,603	319,218
Total net position	<u>\$ 283,615</u>	<u>\$ 35,603</u>	<u>\$ 319,218</u>

Vance County
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
June 30, 2021

	Municipal Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
ADDITIONS			
Ad valorem taxes for other governments	\$ 6,854,832	\$ -	\$ 6,854,832
Collections on behalf of inmates	-	272,864	272,864
Total additions	<u>6,854,832</u>	<u>272,864</u>	<u>7,127,696</u>
DEDUCTIONS			
Tax distributions to other governments	6,929,018	-	\$ 6,929,018
Payments on behalf of inmates	-	237,261	237,261
Total deductions	<u>6,929,018</u>	<u>237,261</u>	<u>7,166,279</u>
Net increase (decrease) in fiduciary net position	(74,186)	35,603	(38,583)
Net position, beginning, as previously reported	-	-	-
Prior period restatement - change in accounting principle	357,801	-	357,801
Net position, beginning, as restated	<u>357,801</u>	<u>-</u>	<u>357,801</u>
Net position, ending	<u>\$ 283,615</u>	<u>\$ 35,603</u>	<u>\$ 319,218</u>

OTHER SCHEDULES

This section includes additional information on property taxes.

Vance County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
For the Year Ended June 30, 2021

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2020</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2021</u>
2020-2021	\$ -	\$ 26,533,277	\$ 25,896,584	\$ 636,693
2019-2020	864,111	-	593,031	271,080
2018-2019	266,792	-	140,304	126,488
2017-2018	170,964	-	34,867	136,097
2016-2017	142,785	-	11,078	131,707
2015-2016	51,164	-	6,053	45,111
2014-2015	45,301	-	2,812	42,489
2013-2014	61,780	-	4,865	56,915
2012-2013	52,281	-	2,615	49,666
2011-2012	49,616	-	2,164	47,452
2010-2011	37,001	-	37,001	-
	<u>\$ 1,741,795</u>	<u>\$ 26,533,277</u>	<u>26,731,374</u>	<u>1,543,698</u>

Less: allowance for uncollectible accounts:

General Fund

377,904

Ad valorem taxes receivable - net:

General Fund

\$ 1,165,794

Reconciliation with revenues:

Ad valorem taxes - General Fund

\$ 27,301,370

Reconciling items:

Interest collected

(214,402)

Taxes Written Off

(37,001)

Adjustment

(318,593)

Total reconciling items

(569,996)

Total collections and credits

\$ 26,731,374

Vance County, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Year Ended June 30, 2021

	County - wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current years rate	\$ 2,963,170,225	0.890	\$ 26,372,215	\$ 21,915,117	\$ 4,457,098
Penalties			52,479	52,479	-
Total	<u>2,963,170,225</u>		<u>26,424,694</u>	<u>21,967,596</u>	<u>4,457,098</u>
Discoveries:					
Current year taxes	6,617,191	0.890	58,893	58,893	-
Prior years taxes			109,058	109,058	-
Total	<u>6,617,191</u>		<u>167,951</u>	<u>167,951</u>	<u>-</u>
Abatements/Releases:					
Current year	(5,828,652)	0.890	(51,875)	(51,875)	-
Prior Year			(7,493)	(7,493)	-
Total	<u>(5,828,652)</u>		<u>(59,368)</u>	<u>(59,368)</u>	<u>-</u>
Total Property Valuation	\$ <u>2,963,958,764</u>				
Net levy			26,533,277	22,076,179	4,457,098
Uncollected taxes at June 30, 2021 (County Only)			<u>636,693</u>	<u>636,693</u>	<u>-</u>
Current year's taxes collected (includes penalty)			\$ <u>25,896,584</u>	\$ <u>21,439,486</u>	\$ <u>4,457,098</u>
Current levy collection percentage			<u>97.60%</u>	<u>97.12%</u>	<u>100.00%</u>

**Vance County, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Year Ended June 30, 2021**

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹		100%
Real Property	\$	1,982,037,480
Personal Property		888,575,365
Public Service Companies ²		93,345,919
Total Assessed Valuation	\$	2,963,958,764
Tax Rate per \$100		0.89
Levy (includes discoveries, releases and abatements) ³	\$	26,379,233

In addition to the County-wide rate, the following table lists the levies by the County on behalf of fire protection districts for the fiscal year ended June 30:

	\$	1,482,671
--	----	-----------

¹ Percentage of appraised value has been established by statute.

² Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

³ The levy includes interest and penalties.

**Vance County, North Carolina
Ten Largest Taxpayers
For the Year Ended June 30, 2021**

Taxpayer	Type of Business	2020 Assessed Valuation	Percentage of Total Assessed Valuation
I AMS Company	Manufacturing	\$ 69,503,333	2.34%
DLP Maria Parham Medical	Private Hospital	58,564,838	1.98%
Duke Energy Progress	Utility	58,034,295	1.96%
Ardagh Glass Inc.	Manufacturing	46,979,883	1.59%
Wal-Mart Stores East LP	Retail	25,981,703	0.88%
DLP Maria Parham Medical Center	Private Hospital	23,897,122	0.81%
Carolina Sunrock LLC	Rock Quarry	19,856,020	0.67%
Variety Wholesalers	Retail	19,019,780	0.64%
W&W Properties and Rentals LLC	Property Management	17,043,680	0.58%
Bullock Solar LLC	Solar Farm	14,294,284	0.48%
Total		\$ <u>353,174,938</u>	<u>11.92%</u>

COMPLIANCE SECTION



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

Independent Auditors' Report

To the Board of County Commissioners
Vance County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Vance County, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Vance County basic financial statements, and have issued our report thereon dated October 21, 2021. Our report includes a reference to other auditors who audited the financial statements of the Vance County ABC Board, as described in our report on the Vance County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Vance County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

Members

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

Compliance and Other Matters

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

Vance County's Response to Findings

Vance County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 21, 2021



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

Independent Auditors' Report

To the Board of County Commissioners
Vance County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Vance County, North Carolina's, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Vance County's major federal programs for the year ended June 30, 2021. Vance County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Members

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

Opinion on Each Major Federal Program

In our opinion, Vance County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items [2021-003, 2021-004, 2021-005, 2021-006, 2021-007 and 2021-008] that we consider to be significant deficiencies.

Vance County's response to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan. Vance County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 21, 2021



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

Independent Auditors' Report

To the Board of County Commissioners
Vance County, North Carolina

Report on Compliance for Each Major State Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Members

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

Opinion on Each Major State Program

In our opinion, Vance County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items [2021-003, 2021-004, 2021-005, 2021-006 and 2021-007] that we consider to be significant deficiencies.

Vance County's response to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan. Vance County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 21, 2021

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

Section I. Summary of Auditors' Results

Financial Statements

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

Internal control over financial reporting:

- Material Weakness(es) identified? yes X no
- Significant Deficiency(s) identified X yes none reported

Noncompliance material to financial statements noted yes X no

Federal Awards

Internal control over major federal programs:

- Material Weakness(es) identified? yes X no
- Significant Deficiency(s) identified X yes none reported

Noncompliance material to federal awards yes X no

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

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

Identification of major federal programs:

<u>CFDA #</u>	<u>Program Name</u>
21.019	Coronavirus Relief Funds
93.568	Low Income Energy Assistance
93.778	Medical Assistance Program

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

Auditee qualified as low-risk auditee? X yes no

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

Section I. Summary of Auditors' Results (continued)

State Awards

Internal control over major State programs:

- Material Weakness(es) identified? ___yes Xno
- Significant Deficiency(s) identified Xyes ___none reported

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

Identification of major State programs:

Program Name
 Medical Assistance Program
 NC Ready Sites Grant
 Public School Building Capital Fund

Section II. Financial Statement Findings

Finding: 2021-001 Budget Violation

NONCOMPLINACE / SIGNIFICANT DEFICENCY

Criteria:	GASB 84 identifies criteria when fiduciary activities should be reported as a special revenue fund. G.S. 159-8(a) states that all moneys received and expended by a local government or public authority should be included in the budget ordinance.
Condition:	County did not establish budgets for the three special revenue funds (Deed of Trusts, Fines and Forfeitures, and Representative Payee Fund) created as a result of the implementation of GASB 84.
Effect:	Moneys were spent that had not been obligated and appropriated.
Cause:	County oversight on the new accounting standard.
Recommendation:	The finance office should review the General Statutes and GASB Statement more carefully to ensure funds are properly authorized and are properly accounted for.
Views of responsible officials and planned corrective actions:	The County agrees with this finding.

Finding: 2021-002 Deficit Fund Balance

SIGNIFICANT DEFICENCY

Criteria:	The County should maintain a positive fund balance in each of its funds.
Condition:	The following departments have negative fund balance: Vance County Housing Authority, Libraries.

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

Section II. Financial Statement Findings (Continued)

Effect:	When the County has a fund with a negative fund balance, the General Fund advances the money to the fund to pay expenditures
Cause:	The County did not properly review the general ledger to ensure that appropriate transfers were budgeted and recorded to cover any cash deficits in the funds.
Recommendation:	The County should evaluate the allocation of internal resources dedicated to financial reporting to ensure adequate resources are available to review budget to actual statements and make appropriate amendments and postings prior to year end.
Views of responsible officials and planned corrective actions:	The County agrees with this finding.

Section III. Federal Award Findings and Questioned Costs

U.S. Department of Health and Human Services

Passed through the NC Department of Health and Human Services

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

CFDA #: 93.778

Finding: 2021-003 IV-D Cooperation with Child Support

SIGNIFICANT DEFICIENCY

Eligibility

Criteria:	The Child Support Enforcement Agency (IV-D) can assist the family in obtaining financial and/or medical support or medical support payments from the child's non-custodial parent. Cooperation requirement with Social Services and Child Support Agencies must be met or good cause for not cooperating must be established when determining Medicaid eligibility.
Condition:	There were 6 errors discovered during our procedures that referrals between DSS and Child Support Agencies were not properly made.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 Medicaid applicants from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to the Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and applicants could have been approved for benefits for which they were not eligible.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2020-001.
Cause:	Error in reading the ACTS report and/or ineffective case review process.

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

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

Recommendation:	Files should be reviewed internally to ensure proper information is in place and necessary procedures are taken when determining eligibility. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding.

U.S. Department of Health and Human Services

Passed through the NC Department of Health and Human Services

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

CFDA #: 93.778

Finding: 2021-004 Inaccurate Information Entry

SIGNIFICANT DEFICIENCY

Eligibility

Criteria:	In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits.
Condition:	There were 16 errors discovered during our procedures that inaccurate information was entered when determining eligibility.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 Medicaid recipients from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2020-002.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

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

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

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

U.S. Department of Health and Human Services

Passed through the NC Department of Health and Human Services
Program Name: Medical Assistance Program (Medicaid; Title XIX)
CFDA #: 93.778

Finding: 2021-005 Inaccurate Resources Entry

SIGNIFICANT DEFICENCY

Eligibility

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

Condition: There was 1 error discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable.

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

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

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

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2020-003.

Cause: Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

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

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

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

U.S. Department of Health and Human Services

Passed through the NC Department of Health and Human Services

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

CFDA #: 93.778

Finding: 2021-006 Untimely Review of SSI Termination

SIGNIFICANT DEFICENCY

Eligibility

Criteria:	The State sends notification to the County when a participant is no longer eligible under SSI determination. The County has a certain time period to initiate an ex parte review to determine whether the recipient qualifies for Medicaid under any other coverage group, such as Family and Children's Medicaid, North Carolina Health Choice for Children, Work First Family Assistance, or Medicaid for the Aged, Blind and Disabled.
Condition:	1 applicant was not reviewed timely and determined to be eligible for Medicaid when their SSI benefits were terminated.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 Medicaid applicants from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	The County did not initiate ex parte review timely, therefore, no eligibility review was completed in the required time period. The lack of follow up and certification lead to applicants receiving Medicaid benefits for which they were not eligible.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2020-004.
Cause:	Ineffective communication between departments within the Department of Social Services. One area within DSS received State communications that applicants would no longer be eligible for SSI benefits and the County needed to conduct an application process. This information was not shared with other departments in DSS from which the recipient was also receiving benefits.
Recommendation:	Any State communications related to applicants' benefits received by any DSS department should be shared with all areas from which the participant receives benefits. State files should be reviewed internally to ensure all actions have been properly closed and the corrective action has been taken. Workers should be retrained on what process needs to be followed when State communications are received.
Views of responsible officials and planned corrective actions:	The County agrees with the finding.

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

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

U.S. Department of Health and Human Services

Passed through the NC Department of Health and Human Services

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

CFDA #: 93.778

Finding: 2021-007 Inadequate Request for Information

SIGNIFICANT DEFICENCY

Eligibility

Criteria:	In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. Electronic matches are required at applications and redeterminations.
Condition:	There were 8 errors discovered during our procedures that inadequate information was requested at applications and/or redeterminations.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 Medicaid applicants from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and applicants could have been approved for benefits for which they were not eligible.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources and income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding.

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

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

U.S. Department of Health and Human Services

Passed through the NC Department of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX), Low Income Energy Assistance

CFDA #: 93.778, 93.568

Finding: 2021-008

Inadequate Internal Control over DSS-1571 Submission

SIGNIFICANT DEFICIENCY

Reporting

Criteria:	In accordance with 2 CFR 200, management must design, implement, and maintain effective internal control relevant to the compliance of Federal and State award requirement. In accordance with the Division of Social Services Fiscal Manual, expenditures must be properly classified as to the type of expenditure, and prior written approval is required for certain procurements.
Condition:	County does not have adequate internal control procedures in place to monitor compliance with the DSS-1571 submissions. Expenditures were reported to incorrect Part II Codes, and actual total amount of the computer equipment purchases exceeded the approved amount on the Acquisition Plan.
Context:	We examined two months of DSS-1571 in detail and reviewed the other ten months.
Effect:	The County could be reimbursed for unauthorized purchases.
Cause:	Ineffective employee training and internal control over DSS-1571 filing procedures and requirements.
Recommendation:	DSS employees should be retrained on the requirements and procedures of DSS-1571 submissions. Management should improve the internal control procedures to ensure compliance with the regulations.
Views of responsible officials and planned corrective actions:	The County agrees with the finding. See corrective action plan for details.

Section IV. State Award Findings and Questioned Costs

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

CFDA # 93.778

SIGNIFICANT DEFICIENCY: Finding 2021-003, 2021-004, 2021-005, 2021-006 and 2021-007 also apply to State requirements and State Awards.



VANCE COUNTY, NORTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2021

Section II - Financial Statement Findings

Finding 2021-001

Name of contact person:	Katherine Bigelow, Finance Director
Corrective Action:	The County is aware of the new requirement, trainings have been performed to ensure budgets are properly adopted.
Proposed Completion Date:	Management has corrected this and budget amendment will be approved at 12/6/21 meeting.

Finding 2021-002

Name of contact person:	Katherine Bigelow, Finance Director
Corrective Action:	The Finance Officer will review the budget more closely to ensure that funds are available for anticipated expenditures. If expenditures are going to exceed the budget, amendments will be made to ensure budget is available to cover the expenditures.
Proposed Completion Date:	Management has corrected this and budget amendment for departments 629 and 630 will be approved at 12/6/21 meeting.

Section III - Federal Award Findings and Question Costs

Finding 2021-003

Name of contact person:	Goldie Davis, IM Program Manager
Corrective Action:	Refresher training for staff will be conducted on when to make a IV-D referral.
Proposed Completion Date:	Training will be completed by 12/31/2021.

Finding 2021-004

Name of contact person:	Goldie Davis, IM Program Manager
Corrective Action:	Documentation Checklist Template will be revised to address property, vehicles, Register of Deeds, and the Work Number. Medicaid caseworkers will receive additional training on the revised Documentation Checklist template. Supervisors will continue to complete second party reviews to determine accuracy of evidence entered into NCFAS and to ensure new Documentation Checklist is being utilized correctly. Management will continue to monitor the progress of this issue and modify controls as needed.
Proposed Completion Date:	November 15, 2021.



VANCE COUNTY, NORTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2021

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

Finding 2021-005

Name of contact person: Goldie Davis, IM Program Manager

Corrective Action: Resource refresher training was held on October 12, 2021. The training included what was countable and non-countable resources. Second Party reviews will continue to be completed.

Proposed Completion Date: Management will continue to monitor the progress of this issue and modify the controls as needed.

Finding 2021-006

Name of contact person: Goldie Davis, IM Program Manager

Corrective Action: SSI Plan was implemented. Staff has been identified to complete Adult and Family & Children Medicaid SSI Termination expartes within the timeframe set by the state effective July 2021.

Proposed Completion Date: Management will continue to monitor the progress of this issue and modify the controls as needed.

Finding 2021-007

Name of contact person: Goldie Davis, IM Program Manager

Corrective Action: Second Party Reviews will continue to be completed monthly to ensure accurate information is entered.

Proposed Completion Date: Management will continue to monitor the progress of this issue and modify the controls as needed.

Finding 2021-008

Name of contact person: Tigist Green-Hicks, Business Officer II, Denita DeVega, Director

Corrective Action: Internal Controls to prevent further occurrence moving forward will be as follows:

- Two person team to complete 1571 process, which will include a system of checking expenditures prior to submission of 1571.
- Training for Fiscal staff on reconciling the county's general ledger to DSS-1571.
- Training on ADP Plans for Fiscal staff.

Proposed Completion Date: 1/31/2022.

Section IV - State Award Findings and Question Costs

Corrective Action Plan for Finding 2021-003, 2021-004, 2021-005, 2021-006 and 2021-007 also apply to State Awards findings.

VANCE COUNTY, NORTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2021

Finding 2020-001

Status This finding is not corrected, repeated as 2021-003

Finding 2020-002

Status This finding is not corrected, repeated as 2021-004

Finding 2020-003

Status This finding is not corrected, repeated as 2021-005

Finding 2020-004

Status This finding is not corrected, repeated as 2021-006

Vance County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL # CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Federal Awards:						
<u>U. S. Department of Agriculture</u>						
Passed-through N.C. Dept of Health and Human Services: Division of Social Services: Administration:						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 625,145	\$ -	\$ -	\$ 625,144
Water and Waste Disposal System for Rural Communities	10.760		120,259	-	-	-
Total U.S. Dept. of Agriculture			745,404	-	-	625,144
<u>U.S. Dept. of Justice</u>						
Edward Byrne Memorial Justice Assistance Grant Program	16.738		7,015	-	-	-
Total of U.S Department of Justice			7,015	-	-	-
<u>U.S. Department of Treasury</u>						
Passed-through the Office of State Budget and Management NC Pandemic Recovery Office Coronavirus Relief Fund	21.019		1,361,956	-	459,733	-
Passed-through N.C. Department of Commerce Coronavirus Relief Fund	21.019		9,760	-	-	-
Total U.S. Department of Treasury			1,371,716	-	459,733	-
<u>U.S. Election Assistance Commission</u>						
Passed-through the N.C. State Board of Elections HAVA Election Security Grants	90.404		83,876	-	-	-
COVID-19 HAVA Election Security Grants	90.404		18,500	-	-	-
Total U.S. Election Assistance Commission			102,376	-	-	-
<u>U.S. Department of Homeland Security</u>						
Passed -through N.C. Department of Public Safety Division of Emergency Management Emergency Management Performance Grant	97.042		39,378	-	-	-
Total U.S. Department of Homeland Security			39,378	-	-	-
<u>U.S. Dept. of Health and Human Services</u>						
Passed-through Kerr-Tar Regional Council of Governments Division of Aging and Adult Services: Family Caregiver Support	93.052		3,750	250	-	-
<u>Aging Cluster:</u>						
Special Programs for the Aging Title IIIB Grants for Supportive Services and Senior Centers	93.044		68,406	4,024	-	-
COVID-19 Special Programs for the Aging Title IIIB	93.044		920	-	-	-
Special Programs for the Aging - Title III C Nutrition Services	93.045		64,231	3,778	-	-
Family First Nutrition Services	93.045		22,075	-	-	-
COVID-19 Special Programs for the Aging - Title III C	93.045		29,341	-	-	-
Nutrition Services Incentive Program	93.053		17,463	-	-	-
Total Aging Cluster			202,436	7,802	-	-
Division of Social Services:						
<u>Temporary Assistance for Needy Families (TANF) Cluster</u>						
TANF-Work First	93.558		559,339	-	-	585,501
Total TANF Cluster			559,339	-	-	585,501
AFDC Payments & Penalties	93.560		(78)	(21)	-	(21)
Family Preservation	93.556		2,181	-	-	-
<u>Foster Care and Adoption Cluster</u>						
COVID-19 Foster Care Title IV – Supplemental Payments	93.658		-	-	-	-
Foster Care - Title IV-E	93.658		283,522	52,180	-	195,786
Adoption Assistance	93.659		3,365	-	-	3,365
Foster Care	N/A		28,065	-	-	-
Total Foster Care and Adoption Cluster			314,952	52,180	-	199,151
Child Support Enforcement	93.563		536,634	497	-	275,950
Refugee Assistance Admin	93.566		516	-	-	-

Vance County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL # CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Low Income Energy Assistance						
Administration	93.568		64,066	-	-	-
Energy Assistance Payments	93.568		427,712	-	-	-
Crisis Intervention Program	93.568		336,507	-	-	-
COVID-19 LIEAP	93.568		243,158	-	-	-
Total Low-Income Home Energy Assistance			1,071,443	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program						
Permanency Planning - Families for Kids	93.645		8,397	-	-	2,799
Chafee Foster Care Independence Program	93.674		1,035	259	-	-
SSBG - Other Service and Training	93.667		246,034	-	-	82,011
Division of Aging and Adult Services:						
Division of Social Services:						
SSBG - State In-Home Services	93.667		56,548	-	-	8,078
SSBG - SP Child Adoption Incentive Fund	93.667		-	1,044	-	(1,044)
Total Social Service Block Grant			302,582	1,044	-	89,045
Administration for Children and Families						
Passed-through the N.C. Dept. of Health and Human Services						
Subsidized Child Care						
Division of Social Services						
Child Care Development Fund - Administration	93.596		133,059	-	-	-
Total Subsidized Child Care Cluster (Note 4)			133,059	-	-	-
Passed -through the N.C. Dept. Health and Human Services:						
Division of Medical Assistance						
Division of Social Services						
Administration						
Medical Assistance Program	93.778	1228467.21	1,323,372	453	-	558,987
Total Medical Assistance Program			1,323,372	453	-	558,987
Division of Social Services						
Administration						
State Children's Insurance Program - N.C. Health Choice	93.767		50,615	2,128	-	8,096
Total U.S. Dept. of Health and Human Services			4,510,233	64,592	-	1,719,508
Total Federal Awards			\$ 6,776,122	\$ 64,592	\$ 459,733	\$ 2,344,652
State Awards:						
N.C. Department of Administration						
Veterans Service			-	2,084	-	-
Total N. C. Department of Administration			-	2,084	-	-
N.C. Dept. of Health and Human Services						
Division of Social Services:						
Non Allocating County Cost			-	-	-	106,755
Work First Non Reimbursable			-	-	-	651
County Fund Programs			-	-	-	613,745
St Child Welfare/CPS/CS			-	79,824	-	-
APS/CPS CARES COVID-19			-	38,441	-	-
DCD Smart Start			-	22,475	-	-
Energy Assist Private			-	10,423	-	-
AFDC Incentive Program Integrity			-	152	-	-
SFHF Maximization			-	18,579	-	18,579
State Foster Home			-	33,160	-	33,160
COVID-19 FC Stipend			-	12,200	-	-
Total Division of Social Services			-	215,254	-	772,890
Passed-through Kerr-Tar Regional Council of Governments						
Division of Aging and Adult Services						
State Appropriation			-	10,515	-	-
HCCBG-Access			-	3,649	-	-
HCCBG-Home Delivery Meals			-	79,745	-	-
HCCBG-In-Home Support Services			-	138,256	-	-
Total Division of Aging and Adult Services			-	232,165	-	-
Total N.C. Dept. of Health and Human Services			-	447,419	-	772,890
N.C. Dept. of Commerce						
NC Ready Sites Grant			-	935,102	-	-
Building Reuse Grant			-	500,000	-	-
Total N.C. Dept of Commerce			-	1,435,102	-	-

Vance County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL # CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
<u>N.C. State Board of Elections</u>						
One-Stop Worker Bonus Fund			-	6,729	-	-
Total N.C. Dept of Commerce			-	6,729	-	-
<u>N.C. Dept. of Environmental Quality</u>						
Division of Waste Management						
Scrap Tire Fund SWMGT			-	3,947	-	-
Electronics Management			-	2,539	-	-
Abandoned Manufactured Homes Grant			-	250	-	-
Total of N.C. Dept. of Environmental Quality			-	6,736	-	-
<u>N.C. Department of Public Safety</u>						
Juvenile Crime Prevention Commission						
JCPC Admin			-	3,144	-	-
Henderson-Vance Prevention Services			-	142,020	142,020	-
Boys and Girls Club			-	10,000	10,000	-
Youth Villages			-	51,992	51,992	-
Total of N.C. Dept. of Public Safety			-	207,156	204,012	-
<u>N.C. Department of Insurance</u>						
SHIIP Grant			-	6,656	-	-
Total of N.C. Department of Insurance			-	6,656	-	-
<u>N.C. Department of Public Instruction</u>						
Public School Building Capital Fund-Lottery Proceeds			-	384,776	-	-
Total N.C. Department of Public Instruction			-	384,776	-	-
Total State Awards			\$ -	\$ 2,496,658	\$ 204,012	\$ 772,890
Total Federal and State Awards			\$ 6,776,122	\$ 2,561,250	\$ 663,745	\$ 3,117,542

Notes to the Schedule of Expenditures of Federal and State Awards

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Vance County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Vance County, it is not intended to and does not present the financial position, changes in net position or cash flows of Vance County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

Vance County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4: Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care and Foster Care and Adoption

Note 5: Benefit Payments Issued by the State

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients that do not appear in the basic financial

<u>Program Title</u>	<u>CFDA No.</u>	<u>Federal</u>	<u>State</u>
Supplemental Nutrition Assistance	10.551	33,483,821	-
Special Supplemental Nutrition Program for Women Infant and Children	10.557	1,106,299	-
Temporary Assistance for Needy	93.558	431,365	-
Adoption Assistance	93.659	124,733	22,441
Children's Health Insurance Program	93.767	1,310,124	270,552
Medical Assistance Program	93.778	94,222,931	36,998,628
Child Welfare Services Adoption		-	96,628
SAA/SAD HB 1030		-	173,655
SC/SA Domiciliary Care		-	261,993