Vance County
Henderson, North Carolina
Financial Statements
June 30, 2019

VANCE COUNTY, NORTH CAROLINA
BOARD AND OFFICERS
June 30, 2019

BOARD OF COUNTY COMMISSIONERS

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

OFFICERS

County Manager	Jordan McMillen
Finance Director	Katherine Bigelow (As of 8/28/19)

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CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND TAX ADVISORS

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, 2019, 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 and the Vance County Tourism Development Authority, which reflect 100 percent of the assets, net position, and 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 and the Vance County Tourism Development Authority, 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 and Vance County Tourism Development Authority 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, 2019, 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 9 and 63 through 69, 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 January 30, 2020, 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
January 30, 2020

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, 2019. 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.

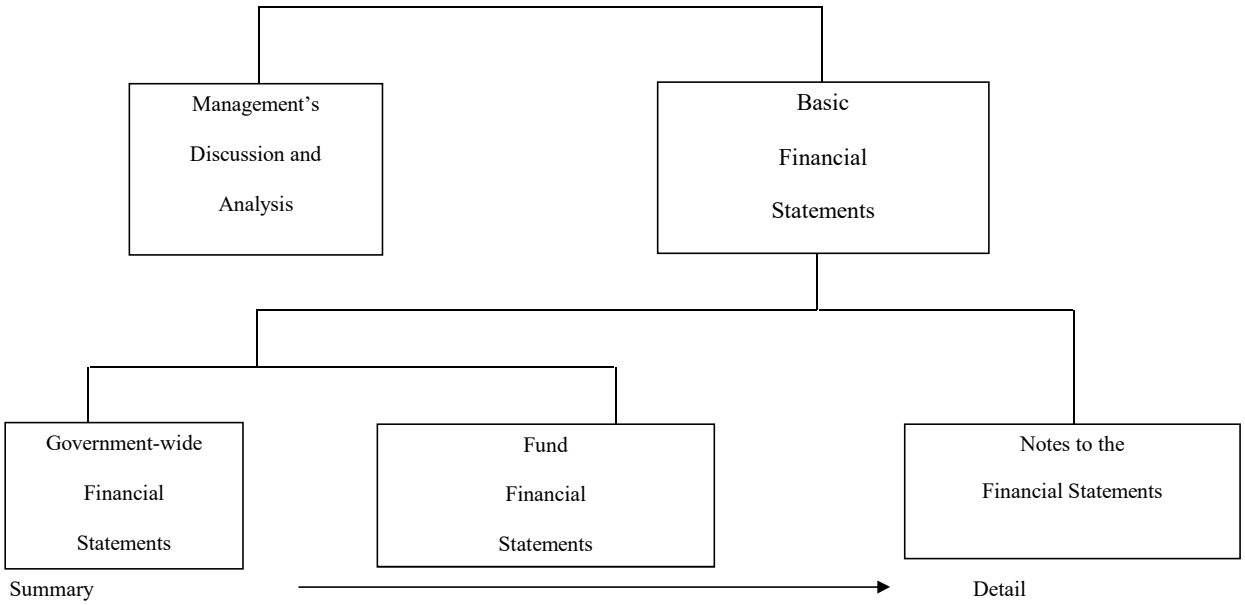
Financial Highlights

- 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 $4,650,783 (*net position).* Unrestricted net position is negative ($10,992,994) as a result of the implementation of GASB 75.
- The government's total net position increased by $2,556,473, primarily due to increases in the net position of both the Government-wide and Business-Type Funds.
- As of the close of the current fiscal year, Vance County's governmental funds reported combined ending fund balances of $22,511,043, a decrease of $2,354,689 in comparison with the prior year. Approximately 27.12 percent of this total amount, or $6,105,892 is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $14,992,772, or 28.19 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



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 Statues 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 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 five fiduciary funds, all of which are agency 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 9 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary concerning Vance County's progress in funding it 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 $4,650,783 as of June 30, 2019. The County's net position increased by $2,556,473 for the fiscal year ended June 30, 2019. One of the largest portions, $10,169,965 (218.67%) 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 $6,105,892 (131.29%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of negative $11,625,074 (249.96%) 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	
	2019	2018	2019	2018	2019	2018
Current and Other assets	$ 25,495,073	$ 27,191,860	$ 2,547,016	$ 2,462,171	$ 28,042,089	$ 29,654,031
Capital Assets	17,314,434	14,792,796	15,505,866	14,804,926	32,820,300	29,597,722
Net Pension Assets	60,551	60,899	-	-	60,551	60,899
Total Assets	42,870,058	42,045,555	18,052,882	17,267,097	60,922,940	59,312,652
Total deferred outflows of resources	4,566,462	3,100,346	15,358	1,541,541	4,581,820	4,641,887
Long-term liabilities	15,835,790	17,558,587	11,438,000	12,939,250	27,273,790	30,497,837
Other liabilities	27,567,817	27,135,386	1,601,690	1,946,877	29,169,507	29,082,263
Total Liabilities	43,403,607	44,693,973	13,039,690	14,886,127	56,443,297	59,580,100
Total deferred inflows of resources	4,394,921	2,271,969	15,759	8,160	4,410,680	2,280,129
Net Position						
Net investment in capital assets	6,102,099	2,690,548	4,067,866	1,865,676	10,169,965	4,556,224
Restricted	6,105,892	5,479,283	-	-	6,105,892	5,479,283
Unrestricted	(12,569,999)	(9,989,872)	944,925	2,048,675	(11,625,074)	(7,941,197)
Total Net Position	$ (362,008)	$ (1,820,041)	$ 5,012,791	$ 3,914,351	$ 4,650,783	$ 2,094,310

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.
- 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	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	$ 4,176,488	$ 4,874,196	$ 3,413,047	$ 2,947,098	$ 7,589,535	$ 7,821,294
Operating grants and contributions	8,700,393	7,731,717	102,918	-	8,803,311	7,731,717
Capital grants and contributions	484,703	1,733,073	627,301	-	1,112,004	1,733,073
General revenues:					-	-
Property taxes	25,824,837	24,978,356	-	-	25,824,837	24,978,356
Other taxes	9,194,878	8,618,030	-	-	9,194,878	8,618,030
Grants and contributions not					-	-
restricted to specific programs	287,004	398,644	-	-	287,004	398,644
Other	337,032	266,964	8,298	3,602	345,330	270,566
Total revenues	49,005,335	48,600,980	4,151,564	2,950,700	53,156,899	51,551,680
Expenses:						
Administrative	-	-	-	-	-	-
General government	4,146,989	3,922,906	-	-	4,146,989	3,922,906
Public safety	16,559,166	16,105,309	-	-	16,559,166	16,105,309
Transportation	35,711	54,916	-	-	35,711	54,916
Environmental protection	18,829	47,537	-	-	18,829	47,537
Economic and physical development	1,328,686	3,452,507	-	-	1,328,686	3,452,507
Human service	11,862,835	11,753,231	-	-	11,862,835	11,753,231
Cultural and recreation	1,825,371	1,673,266			1,825,371	1,673,266
Education	10,995,252	11,362,463			10,995,252	11,362,463
Interest on long-term debt	425,698	480,007	-	-	425,698	480,007
Solid waste management	-	-	2,236,713	2,244,261	2,236,713	2,244,261
Water	-	-	1,165,176	1,234,337	1,165,176	1,234,337
Total expenses	47,198,537	48,852,142	3,401,889	3,478,598	50,600,426	52,330,740
Increase (decrease) in net position before transfers and special items	1,806,798	(251,162)	749,675	(527,898)	2,556,473	(779,060)
Transfers and special items	(348,765)	(392,558)	348,765	392,558	-	-
Increase (Decrease) in net position after transfers and special items	1,458,033	(643,720)	1,098,440	(135,340)	2,556,473	(779,060)
Net position, beginning	(1,820,041)	12,885,191	3,914,351	4,102,068	2,094,310	16,987,259
Net position, beginning (restated)	(1,820,041)	(1,176,321)	3,914,351	4,049,691	2,094,310	2,873,370
Net position, ending	$ (362,008)	$ (1,820,041)	$ 5,012,791	$ 3,914,351	$ 4,650,783	$ 2,094,310

Governmental activities. Governmental activities increased the County's net position by $1,458,033. Key elements of this increase are as follows:

- Increase in property taxes and other taxes.
- Decreased expenditures in Transportation, Environmental Protection, Economic Development, and Education.

Business-type activities: The net position of business-type activities increased by $1,098,440. Key elements of this increase are as follows:

- Charges for services increased, expenditures decreased, and grants were received to fund projects.

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 $16,858,091 while total fund balance reached $20,149,108. The County currently has an available fund balance of 31.69% of general fund expenditures, while total fund balance represents 37.88% of that same amount.

At June 30, 2019, the governmental funds of Vance County reported a combined fund balance of $22,511,043, a 9.47 % decrease over last year. The primary reason for this decrease is expenditures in the General Fund, primarily in the General Government and Public Safety expenditures.

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 $5,574,066 for the fiscal year ending June 30, 2019.

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 $486,059, and for the Water Fund equaled $4,526,732. The change in net position for the Solid Waste Fund was $65,651 while the change in net position for the Water Fund was $1,032,789. 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, 2019, totals $32,820,301 (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, DSS, and planning departments.
- Various other building improvements.
- Various other equipment.
- Land purchased.

Vance County's Capital Assets

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	$ 2,403,382	$ 784,119	$ 899,343	$ 872,857	$ 3,302,725	$ 1,656,976
Building & Improvements	11,567,534	10,997,991	59,464	64,445	11,626,998	11,062,436
Equipment & Vehicles	1,874,585	1,612,301	79,953	89,556	1,954,538	1,701,857
Computer Software	143,584	186,894	-	-	143,584	186,894
Water Distribution system	-	-	13,797,697	13,738,017	13,797,697	13,738,017
Construction in Progress	1,325,348	1,211,491	669,409	40,051	1,994,757	1,251,542
Total	$ 17,314,433	$ 14,792,796	$ 15,505,866	$ 14,804,926	$ 32,820,299	$ 29,597,722

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

Long-term Debt. As of June 30, 2019, Vance County had total long-term debt obligations of $27,273,790 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	
	2019	2018	2019	2018	2019	2018
General obligation bonds	$ -	$ 430,000	$ 11,438,000	$ 11,408,000	$ 11,438,000	$ 11,838,000
Capitalized leases	849,896	996,826	-	-	849,896	996,826
Installment purchase loans	14,985,894	16,131,761	-	-	14,985,894	16,131,761
Note Payable	-	-	-	1,531,250	-	1,531,250
Total	$ 15,835,790	$ 17,558,587	$ 11,438,000	$ 12,939,250	$ 27,273,790	$ 30,497,837

Vance County's total debt decreased by $3,436,047 during the past fiscal year due to the continued amortization of debt.

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 $211,813,828.

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 2019, the unemployment rate was 6.8% compared to 5.92% for the same period in the prior year.
- Vance County has two industrial parks with remaining capacity to attract new industry as well as a planned expansion of the Henderson-Vance Industrial Park.
- As of January 1, 2019 the sales assessment ratio of real property was 96.45. 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 1.6% over the prior fiscal year. Overall, sales tax revenues have increased by 23% from fiscal year 2011-12 to fiscal year 2018-19.

Budget Highlights for the Fiscal Year Ending June 30, 2020

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 was raised to 8.9 cents per $100.00 to provide additional funding for volunteer fire departments to allow them to employ two part-time positions during the day Monday through Friday. Sales tax collections are projected to increase by approximately 2% resulting in an anticipated $186,591 in additional revenue. ABC revenue distributions to the county from the local ABC Board are expected to decrease by $40,000 to $90,000 total for the year due to increased personnel, operating and inventory costs for the ABC Board. 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.

Budgeted expenditures in the General Fund are expected to increase by approximately 0.38% to $48,537,425 from the original fiscal year 2018-19 budget. The overall increase is related to a few large items in the budget. These include $354,748 for implementation of a salary progression plan across all departments and approximately $275,000 for added positions in the Sheriff's Office Emergency Operations, and Planning and Development Departments. Other notable expenditures in the General Fund budget include a state mandated increase in employer contributions to the employees and law enforcement retirement system of $165,000 and a 4% increase in health insurance premiums at a cost of $141,000. The budget also includes $150,000 in new funds for deployment of wireless broadband in the County over the next four years. The County expects to enter into new debt agreements to finance a new social services facility and land for future economic development which could occur during fiscal year 2019-20.

Business-type Activities: The solid waste user household fee will remain at $112.00 per household. The solid waste budget is increasing due to budgeting the full cost for relocating one of the solid waste convenience sites. The County continues to see CPI increases in transfer station fees and convenience site management fees which are handled via contract with Waste Industries. A significant reduction was seen in our electronic waste costs due to consolidating collection to a single site. The Water Fund is expected to generate additional revenue in fiscal year 2019-20 due to the acquisition of a private, non-profit water system in the Kittrell area of the County which occurred in fiscal year 2018-19 and also due to new customers coming on the system following the completion of Phase three of the system (estimated 80 new customers). The Water Fund continues the need to be subsidized by the General Fund but the amount of support should continue to decrease with the acquisition of the Kittrell water system and addition of new customers going forward.

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, 2019

	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	$ 19,270,260	$ 1,877,267	$ 21,147,527	$ 1,074,087	$ 765,940	$ 22,987,554
Receivables (net):						
Property Taxes	1,280,839	-	1,280,839	-	-	1,280,839
Accounts	3,035,704	326,707	3,362,411	-	1,264	3,363,675
Notes	9,300	-	9,300	-	-	9,300
Interest	104,100	-	104,100	-	-	104,100
Inventories	-	-	-	289,094	-	289,094
Due from other governments	167,076	23,274	190,350	-	-	190,350
Prepaid items	-	-	-	10,314	-	10,314
Restricted assets:						
Cash and cash equivalents	1,627,794	319,768	1,947,562	-	23,013	1,970,575
Net Pension Asset	60,551	-	60,551	-	-	60,551
Capital assets:						
Land, improvements, and construction in process	3,728,731	1,568,753	5,297,484	-	461,267	5,758,751
Other capital assets, net of depreciation	13,585,703	13,937,113	27,522,816	701,578	-	28,224,394
Total Capital assets	17,314,434	15,505,866	32,820,300	701,578	461,267	33,983,145
Total assets	42,870,058	18,052,882	60,922,940	2,075,073	1,251,484	64,249,497
DEFERRED OUTFLOWS OF RESOURCES						
Pension deferrals	4,102,250	13,634	4,115,884	89,405	16,109	4,221,398
OPEB deferrals	464,212	1,724	465,936	2,883	65	468,884
Total deferred outflows of resources	4,566,462	15,358	4,581,820	92,288	16,174	4,690,282
LIABILITIES						
Accounts payable and accrued liabilities	1,474,929	377,202	1,852,131	167,574	9,872	2,029,577
Taxes Payable	-	-	-	84,610	-	84,610
Accrued Expense	-	-	-	12,570	-	12,570
Accrued interest	179,387	27,971	207,358	-	-	207,358
Distribution Payable	-	-	-	63,209		63,209
Due to other governments	20,012	-	20,012	-	-	20,012
Customer deposits	-	57,388	57,388	-	-	57,388
Long-term liabilities:						
Due within one year						
Long-term debt	1,726,267	188,000	1,914,267	-	-	1,914,267
Due in more than one year						-
Accrued postclosure liability	-	1,046,510	1,046,510	-	-	1,046,510
Long-term debt	14,109,523	11,250,000	25,359,523	-	-	25,359,523
Compensated absences	1,024,528	5,046	1,029,574	31,627	4,186	1,065,387
Net Pension Liability- LGERS	5,198,097	17,734	5,215,831	80,660	15,647	5,312,138
Total Pension Liability- LEOSSA	865,373	-	865,373	-	-	865,373
Total OPEB Liability	18,805,491	69,839	18,875,330	293,173	66,152	19,234,655
Total liabilities	43,403,607	13,039,690	56,443,297	733,423	95,857	57,272,577
DEFERRED INFLOWS OF RESOURCES						
Prepaid taxes	94,850	-	94,850	-	-	94,850
Note receivable	9,300	-	9,300	-	-	9,300
Pension deferrals	121,514	15,759	137,273	418	243	137,934
OPEB deferrals	4,169,257	-	4,169,257	24,326	14,647	4,208,230
Total deferred outflows of resources	4,394,921	15,759	4,410,680	24,744	14,890	4,450,314
NET POSITION						
Net investment in capital assets	6,102,099	4,067,866	10,169,965	701,578	461,267	11,332,810
Restricted:						
Stabilization by State Statute	3,377,551	-	3,377,551	-	1,264	3,378,815
General Government	292,488	-	292,488	-	-	292,488
Education	1,446,506	-	1,446,506	-	-	1,446,506
Economic Development	357,267	-	357,267	-		357,267
Public Safety	632,080		632,080	-	-	632,080
Working Capital	-	-	-	121,500	-	121,500
Tourism	-	-	-	-	23,013	23,013
Unrestricted	(12,569,999)	944,925	(11,625,074)	586,116	671,367	(10,367,591)
Total net position	$ (362,008)	$ 5,012,791	$ 4,650,783	$ 1,409,194	$ 1,156,911	$ 7,216,888

Vance County, North Carolina
Statement of Activities
For the Fiscal Year Ended June 30, 2019

		Program Revenues			Net (Expense) Revenue and Changes in Net Position					
					Primary Government					
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Vance ABC Board	Vance Tourism Development Authority	Total Reporting Unit
Primary government:										
Government activities:										
General government	$ 4,146,989	$ 811,426	$ -	$ -	$ (3,335,563)	$ -	$ (3,335,563)	$ -	$ -	$ (3,335,563)
Public safety	16,559,166	3,235,779	911,407	-	(12,411,980)	-	(12,411,980)	-	-	(12,411,980)
Economic and physical development	1,328,686	43,677	583,172	-	(701,837)	-	(701,837)	-	-	(701,837)
Environmental Protection	18,829	27,912	-	-	9,083	-	9,083	-	-	9,083
Transportation	35,711	-	-	-	(35,711)	-	(35,711)	-	-	(35,711)
Human services	11,862,835	57,694	6,314,983	-	(5,490,158)	-	(5,490,158)	-	-	(5,490,158)
Cultural and recreational	1,825,371	-	821,512	-	(1,003,859)	-	(1,003,859)	-	-	(1,003,859)
Education	10,995,252	-	69,319	484,703	(10,441,230)	-	(10,441,230)	-	-	(10,441,230)
Interest on debt	425,698	-	-	-	(425,698)	-	(425,698)	-	-	(425,698)
Total governmental activities	47,198,537	4,176,488	8,700,393	484,703	(33,836,953)	-	(33,836,953)	-	-	(33,836,953)
Business-type activities:										
Water	1,165,176	1,214,525	-	627,301	-	676,650	676,650	-	-	676,650
Landfill	2,236,713	2,198,522	102,918	-	-	64,727	64,727	-	-	64,727
Total business-type activities	3,401,889	3,413,047	102,918	627,301	-	741,377	741,377	-	-	741,377
Total primary government	$ 50,600,426	$ 7,589,535	$ 8,803,311	$ 1,112,004	(33,836,953)	741,377	(33,095,576)	-	-	(33,095,576)
Component units:										
Vance ABC Board	$ 3,958,660	$ 4,087,910	$ -	$ -	-	-	-	129,250	-	129,250
Vance County TDA	214,045	-	-	-	-	-	-	-	(214,045)	(214,045)
Total component units	$ 4,172,705	$ 4,087,910	$ -	$ -	-	-	-	129,250	(214,045)	(84,795)
General Revenues:										
Taxes:										
Ad valorem taxes					25,824,837	-	25,824,837	-	-	25,824,837
Local option sales tax					9,136,648	-	9,136,648	-	-	9,136,648
Other taxes					58,230	-	58,230	-	402,028	460,258
Unrestricted intergovernmental					287,004	-	287,004	-	2,411	289,415
Investment income					70,321	8,298	78,619	-	-	78,619
Gain/Loss of sale/disposal of assets					18,501	-	18,501	-	-	18,501
Miscellaneous					248,210	-	248,210	-	15,367	263,577
Transfers					(348,765)	348,765	-	-	-	-
Total general revenues and transfers					35,294,986	357,063	35,652,049	-	419,806	36,071,855
Change in net position					1,458,033	1,098,440	2,556,473	129,250	205,761	2,891,484
Net position - beginning					(1,820,041)	3,914,351	2,094,310	1,279,944	951,150	4,325,404
Net position - ending					$ (362,008)	$ 5,012,791	$ 4,650,783	$ 1,409,194	$ 1,156,911	$ 7,216,888

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

Vance County, North Carolina
Governmental Funds
Balance Sheet
June 30, 2019

	Major	Non-Major	
	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 18,123,532	$ 1,146,728	$ 19,270,260
Restricted cash	306,606	1,321,188	1,627,794
Receivables (net):			
Taxes	1,220,077	60,762	1,280,839
Accounts	2,969,801	65,903	3,035,704
Due from other governments	155,745	11,331	167,076
Due from other funds	165,471	-	165,471
Note receivable	-	9,300	9,300
Total assets	$ 22,941,232	$ 2,615,212	$ 25,556,444
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	$ 1,452,166	$ 22,763	$ 1,474,929
Due to other funds	5,019	160,452	165,471
Due to other governments	20,012	-	20,012
Total liabilities	1,477,197	183,215	1,660,412
DEFERRED INFLOWS OF RESOURCES			
Prepaid Taxes	94,850	-	94,850
Taxes receivable	1,220,077	60,762	1,280,839
Note receivable	-	9,300	9,300
Total deferred inflows of resources	1,314,927	70,062	1,384,989
Fund balances:			
Restricted			
Stabilization by State Statute	3,291,017	86,534	3,377,551
Capital Projects - Schools	-	1,446,506	1,446,506
Public Safety		632,080	632,080
Tax revaluation	290,630	-	290,630
Community Development	-	357,267	357,267
Facility Improvements	1,858	-	1,858
Committed			
LEOSSA Pension and OPEB benefits	307,002	-	307,002
Animal Shelter	15,976	-	15,976
Assigned			
Subsequent year's expenditures	1,249,853	-	1,249,853
Unassigned	14,992,772	(160,452)	14,832,320
Total fund balances	20,149,108	2,361,935	22,511,043
Total liabilities, deferred inflows of resources, and fund balances	$ 22,941,232	$ 2,615,212	$ 25,556,444

VANCE COUNTY, NORTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2019

Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balance - governmental funds	$	22,511,043
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		37,891,471
Less accumulated depreciation		(20,577,037)
Net capital assets		17,314,434
Net pension asset (Register of Deeds)		60,551
Deferred outflows of resources:		
Contributions to the pension plan in the current fiscal year		
LGERS		1,066,971
Register of Deeds		4,871
OPEB		464,212
LEOSSA		75,794
Benefit payment and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position		11,519
Pension related deferrals		
LGERS		2,929,474
ROD		13,621
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements		104,100
Deferred inflows of resources reported in the government-wide statements but not in the fund statements:		
Deferred inflows of resources for taxes receivable		1,280,839
Pension related deferrals		
LGERS		(80,810)
ROD		(4,033)
OPEB		(4,169,257)
LEOSSA		(36,671)
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		(15,835,790)
Compensated absences		(1,024,528)
Other Post Employment Benefits		(18,805,491)
Total pension liability - LEOSSA		(865,373)
Net pension liability - LGERS		(5,198,097)
Accrued interest payable		(179,387)
Total adjustment		(22,873,051)
Net position of governmental activities	$	(362,008)

Vance County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2019

	Governmental Fund Types		
	Major	Non-Major	
	General Fund	Other Governmental Funds	Total
Revenues			
Ad valorem taxes	$ 24,575,782	$ 1,174,708	$ 25,750,490
Local option sales taxes	9,136,648	-	9,136,648
Other taxes and licenses	58,230	-	58,230
Unrestricted intergovernmental	287,004	-	287,004
Restricted intergovernmental	8,487,106	1,397,387	9,884,493
Sales and services	3,477,091	-	3,477,091
Investment earnings	39,431	30,890	70,321
Miscellaneous	248,210	-	248,210
Total revenues	46,309,502	2,602,985	48,912,487
Expenditures			
Current:			
General government	5,059,011	-	5,059,011
Public safety	14,870,837	1,309,773	16,180,610
Transportation	28,750	-	28,750
Environmental protection	18,829	-	18,829
Economic and physical development	1,146,406	1,829,169	2,975,575
Human services	11,710,148	-	11,710,148
Cultural and recreational	1,817,181	-	1,817,181
Education	10,962,257	32,995	10,995,252
Debt service:			
Principal retirement	2,453,648	-	2,453,648
Interest and fees	438,715	-	438,715
Total expenditures	48,505,782	3,171,937	51,677,719
Revenues over (under) expenditures	(2,196,280)	(568,952)	(2,765,232)
Other financing sources (uses):			
Transfers in	4,448,419	4,012,499	8,460,918
Transfers out	(5,414,607)	(3,395,076)	(8,809,683)
Proceeds from lease obligations	730,851	-	730,851
Sale of fixed assets	28,457	-	28,457
Total other financing sources (uses)	(206,880)	617,423	410,543
Net Change in Fund Balance	(2,403,160)	48,471	(2,354,689)
Fund balances, beginning of year	22,552,268	2,313,464	24,865,732
Fund balances, end of year	$ 20,149,108	$ 2,361,935	$ 22,511,043

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

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, 2019

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balance - total governmental funds	$	(2,354,689)
Capital Outlay Expenditures recorded in the fund statements but capitalized as assets in the statement of activities.		3,882,960
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.		(1,351,366)
Gain on Disposal of assets during the year.		(9,956)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.		
LGERS		1,066,971
ROD		4,871
Benefit payment and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position		11,519
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position		445,822
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.		(730,851)
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.		2,453,648
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)		13,017
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.		(143,897)
Pension expense		
LGERS		(1,400,199)
ROD		(13,055)
LEOSSA		(57,647)
OPEB plan expense		(433,462)
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		67,754
Increase (Decrease) in accrued interest receivable at year end		6,593
Change in net position of governmental activities	$	1,458,033

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, 2019

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Ad valorem taxes	$ 24,452,040	$ 24,453,840	$ 24,575,782	$ 121,942
Local option sales tax	8,900,981	8,900,981	9,136,648	235,667
Other taxes and licenses	56,500	56,500	58,230	1,730
Unrestricted intergovernmental	375,000	375,000	287,004	(87,996)
Restricted intergovernmental	7,322,294	8,698,375	8,401,499	(296,876)
Sales and services	3,406,181	3,486,181	3,477,091	(9,090)
Investment earnings	6,000	26,000	25,631	(369)
Miscellaneous	66,270	68,620	248,210	179,590
Total revenues	44,585,266	46,065,497	46,210,095	144,598
Expenditures				
Current:				
General government	5,300,270	5,290,129	4,992,752	297,377
Public safety	13,962,671	15,725,911	14,870,837	855,074
Transportation	28,750	28,750	28,750	-
Environmental protection	30,000	30,000	18,829	11,171
Economic and physical development	1,192,189	1,241,142	1,146,406	94,736
Human services	11,164,840	12,446,329	11,710,148	736,181
Cultural and recreational	1,183,410	1,899,870	1,817,181	82,689
Intergovernmental:				
Education	10,962,257	10,962,257	10,962,257	-
Debt service:				
Principal retirement	458,998	423,998	413,245	10,753
Interest and other charges	39,368	27,368	11,666	15,702
Total expenditures	44,322,753	48,075,754	45,972,071	2,103,683
Revenues over (under) expenditures	262,513	(2,010,257)	238,024	2,248,281
Other financing sources (uses):				
Transfers to other funds	(3,733,362)	(5,489,977)	(5,345,499)	144,478
Transfers from other funds	1,749,841	1,995,491	1,932,662	(62,829)
Proceeds from lease obligation	256,000	731,000	730,851	(149)
Sale of fixed assets	30,000	30,000	28,457	(1,543)
Contingency	(100,000)	(64,450)	-	64,450
Appropriated fund balance	1,535,008	4,808,193	-	(4,808,193)
Total other financing sources (uses)	(262,513)	2,010,257	(2,653,529)	(4,663,786)
Net change in fund balance	$ -	$ -	(2,415,505)	$ (2,415,505)
Fund balance, beginning			21,901,555	
Prior Period Adjustment			63,027	
Fund balance, ending			$ 19,549,077	

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

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, 2019

General fund balance, ending	$	19,549,077
A legally budgeted Tax Reassessment Fund is consolidated into the General Fund for reporting purposes:		
Investment Earnings		5,853
Transfer in		40,600
Expenditures		(43,550)
Fund Balance, beginning		287,727
A legally budgeted Debt Service Fund is consolidated into the General Fund for reporting purposes:		
Investment Earnings		809
Transfer in		944,692
Transfer out		(7,973)
Expenditures		(936,987)
Fund Balance, beginning		-
A legally budgeted School Debt Service Fund is consolidated into the General Fund for reporting purposes:		
Restricted intergovernmental		-
Investment Earnings		-
Transfer in General Fund		1,530,465
Expenditures		(1,530,465)
Fund Balance, beginning		-
A legally budgeted Facility Fees Fund is consolidated into the General Fund for reporting purposes:		
Restricted intergovernmental		85,607
Investment Earnings		95
Transfer out		(61,135)
Expenditures		(22,709)
Fund Balance, beginning		-
A legally budgeted LEOSSA Fund is consolidated into the General Fund for reporting purposes:		
Investment Earnings		7,043
Fund Balance, beginning		362,986
Prior Period Adjustment		(63,027)
Fund Balance, ending (Exhibit 4)	$	20,149,108

Vance County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2019

	Solid Waste Fund	Water Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 539,054	$ 1,338,213	$ 1,877,267
Accounts Receivable (net)	240,134	86,573	326,707
Due from other governments	534	22,740	23,274
Total current assets	779,722	1,447,526	2,227,248
Noncurrent assets:			
Restricted cash and investments	-	319,768	319,768
Capital Assets:			
Land	882,864	16,480	899,344
Construction in process	-	669,409	669,409
Building and improvements	78,827	-	78,827
Water distribution system	-	15,066,176	15,066,176
Vehicles and equipment	258,051	-	258,051
Less accumulated depreciation	(197,462)	(1,268,479)	(1,465,941)
Capital assets, net	1,022,280	14,483,586	15,505,866
Total noncurrent assets	1,022,280	14,803,354	15,825,634
Total assets	1,802,002	16,250,880	18,052,882
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	13,634	-	13,634
OPEB deferrals	1,724	-	1,724
Total deferred outflows of resources	15,358	-	15,358
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	176,413	200,789	377,202
Accrued interest payable	-	27,971	27,971
Current maturities of long-term debt	-	188,000	188,000
Total current liabilities	176,413	416,760	593,173
Long-term liabilities:			
Accrued landfill closure and postclosure	1,046,510	-	1,046,510
General obligation bonds payable	-	11,250,000	11,250,000
Net pension liability	17,734	-	17,734
Total OPEB liability	69,839	-	69,839
Compensated absences payable	5,046	-	5,046
Customer deposits	-	57,388	57,388
Total noncurrent liabilities	1,139,129	11,307,388	12,446,517
Total liabilities	1,315,542	11,724,148	13,039,690
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	275	-	275
OPEB deferrals	15,484	-	15,484
Total deferred inflows of resources	15,759	-	15,759
NET POSITION			
Net investment in capital assets	1,022,280	3,045,586	4,067,866
Restricted	-	262,380	262,380
Unrestricted	(536,221)	1,218,766	682,545
Total net position	$ 486,059	$ 4,526,732	$ 5,012,791

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, 2019

	Solid Waste Fund	Water Fund	Total
Operating revenues:			
Charges for services	$ 2,182,232	$ 1,197,129	$ 3,379,361
Other operating revenues	16,290	17,396	33,686
Total operating revenues	2,198,522	1,214,525	3,413,047
Operating expenses:			
Cost of operations	2,294,880	537,595	2,832,475
Landfill closure and postclosure care costs	(72,752)	-	(72,752)
Depreciation and amortization	14,585	270,720	285,305
Total operating expenses	2,236,713	808,315	3,045,028
Operating income (loss)	(38,191)	406,210	368,019
Nonoperating revenues (expenses):			
Investment earnings	-	8,298	8,298
Federal, state, and local grants	21,954	627,301	649,255
Intergovernmental taxes and other revenues	80,964	-	80,964
Interest and other charges	-	(356,861)	(356,861)
Total nonoperating revenues (expenses)	102,918	278,738	381,656
Income (loss) before transfers and contributions	64,727	684,948	749,675
Transfers in	924	347,841	348,765
Change in net position	65,651	1,032,789	1,098,440
Total net position, beginning	420,408	3,493,943	3,914,351
Total net position, ending	$ 486,059	$ 4,526,732	$ 5,012,791

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

Vance County, North Carolina
Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2019

	Solid Waste Fund	Water Fund	Total
Cash Flows From Operating Activities			
Cash received from customers	$ 2,217,962	$ 959,085	$ 3,177,047
Cash paid for goods and services	(2,403,175)	(388,209)	(2,791,384)
Cash paid to employees for services	(75,559)	-	(75,559)
Other operating revenues	16,290	17,396	33,686
Net cash provided by (used in) operating activities	(244,482)	588,272	343,790
Cash Flows From Noncapital Financing Activities			
Transfers to other funds			
Transfers from other funds	924	347,841	348,765
Net cash provided by (used in) financing activities	924	347,841	348,765
Cash Flows From Capital and Related Financing Activities			
Capital contributions - Federal, state and local grants	21,954	627,301	649,255
Intergovernmental taxes and fees	80,964	-	80,964
Interest and bond issuance costs	-	(357,312)	(357,312)
Acquisition of capital assets	(10,007)	(976,238)	(986,245)
Issuance of debt	-	212,000	212,000
Repayment of debt obligations	-	(182,000)	(182,000)
Net cash provided by (used in) capital and related financing activities	92,911	(676,249)	(583,338)
Cash Flows From Investing Activities			
Investment Income	-	8,298	8,298
Net cash provided by (used in) investing activities	-	8,298	8,298
Net increase (decrease) in cash and cash equivalents/investments	(150,647)	268,162	117,515
Cash and cash equivalents/investments			
Beginning of year	689,701	1,389,819	2,079,520
End of year	$ 539,054	$ 1,657,981	$ 2,197,035

Vance County, North Carolina
Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2019

	Solid Waste Fund	Water Fund	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	$ (38,191)	$ 406,210	$ 368,019
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and Amortization	14,585	270,720	285,305
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	35,730	(3,060)	32,670
(Increase) decrease in deferred outflows of resources for pensions	(5,117)	-	(5,117)
(Increase) in deferred outflows of resources for OPEB	50	-	50
Increase (decrease) in accounts payable and accrued liabilities	(184,958)	149,386	(35,572)
Increase (decrease) in deferred inflows of resources for pensions	(197)	-	(197)
Increase (decrease) in deferred inflows of resources for OPEB	7,796	-	7,796
Increase (decrease) in customer deposits	-	(234,984)	(234,984)
Increase (decrease) in net pension liability	6,450	-	6,450
Increase (decrease) in accrued postclosure liability	(72,752)	-	(72,752)
Compensated absences payable	13	-	13
Increase (decrease) in OPEB liability	(7,891)	-	(7,891)
Total adjustments	(206,291)	182,062	(24,229)
Net cash provided by (used in) operating activities	$ (244,482)	$ 588,272	$ 343,790

Vance County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

		Agency Funds
Assets		
Cash and investments	$	238,360
Total assets		238,360
Liabilities and Net Position		
Accounts payable		238,360
Total liabilities		238,360
Net Position		
Held in trust (Fiduciary net assets)	$	-

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.

Note 1- Summary of significant accounting policies (continued)

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

The County reports the following fund types:

Agency Funds. Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains five agency funds: the Social Service Fund, which accounts for money deposited with in the Social Services department for the benefits of certain individuals; the Vance County Jail Inmates Trust Fund, which accounts for funds on behalf of inmates; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to Vance County Board of Education; the City Ad Valorem and Motor Vehicle Tax Fund which accounts for the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to North Carolina Department of Motor Vehicles and the property taxes collected on behalf of various municipalities within the Count; and Register of Deeds Trust Fund which accounts for the five dollars of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage.

Non-major Funds. The County maintains six legally budgeted funds. The Emergency Telephone Systems Fund, Fire District Fund, Economic Development Fund, Neighborhood Stabilization Program Fund, are reported as non-major capital project fund. The Capital Reserve Fund-General is consolidated into the General Capital Projects Fund, and 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.

Note 1- Summary of significant accounting policies (continued)

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

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

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. 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 then $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 data 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.

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 Unites 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 maintaining an AAAm rating from S&P. The NCCMT Term Portfolio is a bond fund, has no rating and has a duration of .11 years. Both the NCCMT 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 Statue 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	$ 290,630
General Fund	Animal Shelter	15,976
School Capital Projects Fund	Unexpended Public School Building funds	1,288,410
General Capital Project Fund	Unexpended loan proceeds	32,778
Total Governmental Activities		1,627,794
Business-Type Activities		
Water Fund	Customer deposits	57,388
Water Fund	USDA Reserve debt service	262,380
Total Business-type Activities		319,768
Total Restricted Cash		$ 1,947,562

Note 1- Summary of Significant Accounting Policies (continued)

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

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, 2018.

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:

Description	Estimated Useful Lives
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

Note 1- Summary of significant accounting policies (continued)

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

Capital assets (continued)

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

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

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.

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

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.

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.

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.

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.

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 (LGERS), 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 HBC'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

Deficit Fund Balance or Net position of Individual Funds

For the fiscal year ended June 30, 2019 the following funds had a deficit fund balance:

Neighborhood Stabilization Fund	$	160,452

The deficit fund balance is due to expenditures in excess of grant reimbursements received as of the fiscal year end for the grant project funds. The County will appropriate and transfer money from other funds in fiscal year 2020 to remove deficit fund balance.

Excess of Expenditures over Appropriations

None

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 help 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.

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, 2019, the carrying amount of the County's deposits was $20,824,107 and the bank balance was $21,502,836. Of the bank balance, $1,177,320 was covered by federal depository insurance and $15,831,052 in non-interest bearing deposits and $4,494,464 in interest bearing deposits were covered by collateral held under the Pool Method. At June 30, 2019, the County had $950 cash on hand.

At June 30, 2019, the carrying amount of deposits of Vance County ABC Board was $1,071,314 and the bank balance was $1,021,341. Of this balance, $250,000 was covered by the federal depository insurance and $771,341 was maintained in financial institutions utilizing the Pooling Method of collateralization.

At June 30, 2019, the carrying amount of deposits for the Vance County Tourism Development Authority was $673,666 and he bank balance was $673,666. 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, 2019, 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	$ 1,624,940	$ 1,624,940	$ -
NC Capital Management Trust - Term Portfolio		Fair Value- Level 1	$ 884,402	$ 884,402	$ -
Total			$ 2,509,342	$ 2,509,342	$ -

* As of June 30, 2019, the NCCMT Term Portfolio has a duration of .11 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

Note 3 – Detail Notes on All Funds (continued)

1. ASSETS (continued)

2. Investments (continued)

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 AAA by Standard & Poor's as of June 30, 2019. 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.

At June 30, 2019, 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	Measurement Method	Fair Value	Less than 6 Months	6-12 Months
NC Capital Management of Trust - Cash Portfolio	Amortized Cost	$ 115,287	N/A	N/A
Total		$ 115,287	-	-

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 AAA by Standard & Poor's as of June 30, 2019.

At June 30, 2019 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
2016	$ 1,049,640	$ 343,758	$ 1,393,398
2017	1,078,888	256,313	1,335,201
2018	1,071,245	158,009	1,229,254
2019	1,079,860	62,092	1,141,952
	$ 4,279,633	$ 820,172	$ 5,099,805

Note 3 – Detail Notes on All Funds (continued)

1. ASSETS (continued)

4. Receivables

Receivables at the government-wide level at June 30, 2019, were as follows:

	Accounts	Taxes	Due From Other Governments	Total
Governmental Activities:				
General	$ 2,969,801	$ 1,551,396	155,745	$ 4,676,942
Other Governmental	65,903	60,762	11,331	137,996
Total Receivables	3,035,704	1,612,158	167,076	4,814,938
Allowance for Doubtful Accounts	-	(331,319)	-	(331,319)
Total Governmental Activities	$ 3,035,704	$ 1,280,839	$ 167,076	$ 4,483,619
Business Type Activities:				
Solid Waste	$ 326,661	$ -	534	$ 327,195
Water	135,502	-	22,740	158,242
Total Receivables	462,163	-	23,274	485,437
Allowance for Doubtful Accounts	(158,730)	-	-	(158,730)
Total Business-Type Activities	$ 303,433	$ -	$ 23,274	$ 326,707

Notes receivable

The County's note receivables are as follows:

Receivables From	Purpose of Note Receivable	Maturity Date	Annual Payment	Balance as of 6/30/19
Town of Middleburg	Economic Development	February, 2022	$ 3,600	$ 9,300
Total				$ 9,300

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.

Note 3 - Detailed Notes on All Funds (continued)

1. ASSETS (continued)

5. Capital assets

Capital asset activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Additions	Decreases	Transfers & Adjustments	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	$ 784,119	$ 1,619,264	$ -	$ -	$ 2,403,383
Construction in Progress	1,211,491	113,857	-	-	1,325,348
Total capital assets not being depreciated	1,995,610	1,733,121	-	-	3,728,731
Depreciable property:					
Buildings	24,318,779	1,156,333	-	-	25,475,112
Vehicles	5,007,141	778,567	(401,404)	-	5,384,304
Equipment	2,678,211	209,823	-	-	2,888,034
Computer software	429,344	5,116	(19,170)	-	415,290
Total other capital assets being depreciated	32,433,475	2,149,839	(420,574)	-	34,162,740
Total Capital Assets	34,429,085	3,882,960	(420,574)	-	37,891,471
Less accumulated depreciation for:					
Buildings	13,320,788	586,790	-	-	13,907,578
Vehicles	3,976,525	458,528	(391,448)	-	4,043,605
Equipment	2,096,526	257,622	-	-	2,354,148
Software	242,450	48,426	(19,170)	-	271,706
Total other capital assets at historical cost	19,636,289	1,351,366	(410,618)	-	20,577,037
Other capital assets, net	12,797,186	798,473	(9,956)	-	13,585,703
Governmental activities capital assets, net	$ 14,792,796	$ 2,531,594	$ (9,956)	$ -	$ 17,314,434

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

Governmental Activities	
General Government	$ 365,255
Public Safety	896,750
Human Services	68,746
Economic and physical development	20,615
Total depreciation expenses	$ 1,351,366

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, 2019 are composed as follows:

Business-type activities:

	Balances	Increases	Decreases	Transfers	Balances
SOLID WASTE					
Capital assets not being depreciated:					
Land	$ 872,857	$ 10,006	$ -	$ -	$ 882,863
Total capital assets not being depreciated	872,857	10,006	-	-	882,863
Capital assets being depreciated					
Buildings & improvements	78,827	-	-	-	78,827
Equipment	222,823	-	-	-	222,823
Vehicles	35,228	-	-	-	35,228
Total capital assets being depreciated	336,878	-	-	-	336,878
Total capital assets being depreciated	1,209,735	10,006	-	-	1,219,741
Less accumulated depreciation for:					
Buildings & improvements	14,382	4,981	-	-	19,363
Equipment	133,267	9,603	-	-	142,870
Vehicles	35,228	-	-	-	35,228
Total accumulated depreciation	182,877	14,584	-	-	197,461
Solid Waste capital assets, net	$ 1,026,858	$ (4,578)	$ -	$ -	$ 1,022,280

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
WATER					
Capital assets not being depreciated:					
Land	$ -	$ 16,480	$ -	$ -	$ 16,480
Construction in progress	40,051	959,758	(330,400)	-	669,409
Total capital assets not being depreciated	40,051	976,238	(330,400)	-	685,889
Capital assets being depreciated					
Water lines	14,735,776	330,400	-	-	15,066,176
Total capital assets being depreciated	14,735,776	330,400	-	-	15,066,176
Less accumulated depreciation for:					
Improvements	997,759	270,720	-	-	1,268,479
Total accumulated depreciation	997,759	270,720	-	-	1,268,479
Water capital assets, net	$ 13,778,068	$ 1,035,918	$ (330,400)	$ -	$ 14,483,586
Business activities capital assets, net	$ 14,804,926	$ 1,031,340	$ (330,400)	$ -	$ 15,505,866

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, 2019 is composed of the following elements:

	Governmental Activities	Business-Type Activities
Capital assets	$ 17,314,434	$ 15,505,866
Total debt, gross	15,835,790	11,438,000
Less:		
Other non-capital related debt	4,623,455	-
Total capital debt	11,212,335	11,438,000
Net investment in capital assets	$ 6,102,099	$ 4,067,866

Activity for the Tourism Development Authority for the year ended June 30, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Tourism Development Authority					
Capital assets not being depreciated:					
Land	$ 403,455	$ -	$ -	$ -	$ 403,455
Construction in progress	57,812	-	-	-	57,812
Total capital assets not being depreciated	$ 461,267	$ -	$ -	$ -	$ 461,267

Note 3 – Detail Notes on All Funds (continued)

1. ASSETS (continued)

5. Capital assets (continued)

Activity for the ABC Board for the year ended June 30, 2019, was as follows:

ABC Board	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
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	167,181	-	-	-	167,181
Total capital assets being depreciated	919,527	-	-	-	919,527
Total	1,112,425	-	-	-	1,112,425
Less accumulated depreciation for:					
Building	194,161	21,981	-	-	216,142
Land improvement	59,308	7,058	-	-	66,366
Furniture and equipment	117,516	10,823	-	-	128,339
Total accumulated depreciation	370,985	39,862	-		410,847
Total capital assets being depreciated, net	548,542	(39,862)	-	-	508,680
ABC - capital assets, net	$ 741,440	$ (39,862)	$ -	$ -	$ 701,578

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.

Commitments- The County has active general and school construction projects at June 30, 2019. At year-end, the County's commitments with contractors are as follows:

	County Commitment	Spend To Date
Eaton Johnson - DSS Building Architectural Services	$ 188,800	$ 4,519
Admin & Courthouse Buildings	308,500	95,000
Total Commitment	$ 497,300	$ 99,519

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES

1. Payables

Payables at the government-wide level at June 30, 2019 were as follows:

	Vendors	Other	Total
Governmental Activities:			
General	$ 1,452,166	$ -	$ 1,452,166
Other Governmental	22,763	-	22,763
Total Governmental Activities	$ 1,474,929	$ -	$ 1,474,929
Business-type Activities			
Solid Waste	$ 176,413	$ -	$ 176,413
Water Fund	200,789	-	200,789
Total Business-Type Activities	$ 377,202	$ -	$ 377,202

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, on 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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.

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)

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, 2019, was 8.50% of compensation for law enforcement officers and 7.75% 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 $1,070,611 for the year ended June 30, 2019. Contributions to the pension plan from the ABC Board and the Tourism Development Authority were $27,940 and $7,291, respectively, for the year ended June 30, 2019.

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

At June 30, 2019, the County reported a liability of $5,215,831, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2019, the County's proportion was 0.2199% (measured as of June 30, 2018),which was an increase of 0.0026% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of $1,404,971. At June 30, 2019, 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	$ 804,679	$ 27,001
Changes of assumptions	1,384,080	-
Net difference between projected and actual earnings on pension plan investments	715,979	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	34,730	54,085
County contributions subsequent to the measurement date	1,070,611	-
Total	$ 4,010,079	$ 81,086

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)

Subsequent to the measurement date, $1,070,611 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2020	$ 1,384,670
2021	900,188
2022	167,011
2023	406,513
2024	-
Thereafter	-
	$ 2,858,382

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment Rate of	7.00 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, 2017 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 though 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, 2019 are summarized in the following table:

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

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 information above is based on 30 year expectations developed with the consulting actuary for the 2017 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 (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net pension liability (asset)	$ 12,528,878	$ 5,215,831	$ (895,065)

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

The Vance County ABC Board and the Tourism Development Authority are also participating employers in the statewide Local Governmental Employee's Retirement System (LGERS). The ABC Board's and Tourism Development Authority'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 and Authority are not included in this report. Detailed information about the ABC Board's and the Authority's pension plans are included in the separately issued audit reports of the Vance County ABC Board and Vance County Tourism Development Authority.

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, 2017, 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	34
Total	37

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)

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, 2017 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	3.50 to 7.35 percent, including inflation and productivity factor
Discount Rate	3.64 percent

The discount rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index.

Mortality rates are based on the RP-2014 Healthy Annuitant with adjustments for mortality improvements based MP-2015 scale, projected generationally.

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 $43,707 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, 2019, the County reported a total pension liability of $865,373 The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the County recognized pension expense of $81,997.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 38,816	$ -
Changes of assumptions	36,978	36,671
County benefit payments and plan administrative expense made subsequent to the measurement date	11,519	-
Total	$ 87,313	$ 36,671

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)

$11,519 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2020	$	8,514
2021		8,514
2022		8,514
2023		6,343
2024		4,786
Thereafter		-
	$	36,671

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 3.64 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 (2.64 percent) or one percentage point higher (4.64 percent) than the current rate:

	1% Decrease 2.64%	Discount Rate (3.64%)	1% Increase (4.64%)
Total pension liability	$ 937,148	$ 865,373	$ 799,991

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

Beginning Balance	$	860,596
Service Cost		41,506
Interest on the total pension liability		26,504
Changes of benefit terms		-
Differences between expected and		14,105
Changes of assumptions or other inputs		(33,631)
Benefit payments		(43,707)
Other changes		-
Ending balance of the total pension liability	$	865,373

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.16 percent at June 30, 2017 to 3.64 percent at June 30, 2018.

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, 2017 valuation were based on the results of an experience study for the five year period ending December 31, 2014, completed by the Actuary for the Local Government Employees' Retirement System.

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

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, 2019 were $97,048, which consisted of $81,199 from the County and $22,353 from the law enforcement officers.

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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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 $4,871 for the year ended June 30, 2019.

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

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)

At June 30, 2019, the County reported an asset of $60,551 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2018, the County's proportion was 0.35474%, which was a decrease of 0.00204% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of $13,055. At June 30, 2019, 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	$ 534	$ 2,764
Changes of assumptions	2,848	-
Net difference between projected and actual earnings on pension plan investments	9,651	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	588	1,269
County contributions subsequent to the measurement date	4,871	-
Total	$ 18,492	$ 4,033

$4,871 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2020	$ 5,152
2021	93
2022	2,844
2023	1,499
2024	-
Thereafter	-
	$ 9,588

Actuarial Assumptions. The total pension liability in the December 31, 2017 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, 2017 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, 2019 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 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)	$ (47,741)	$ (60,551)	$ (71,354)

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

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

The net pension liability for LGERS and ROD was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2018, with an actuarial valuation date of December 31, 2017. 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)

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	$ 5,215,831	$ (60,551)	$ -	$ 5,155,280
Proportion of the Net Pension Liability (Asset)	0.21986%	0.35474%	n/a	
Total Pension Liability	-	-	865,373	865,373
Pension Expense	1,404,971	13,055	81,997	1,500,023

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	LGERS	ROD	LEOSSA	Total
Differences between expected and actual experience	$ 804,679	$ 534	$ 38,816	$ 844,029
Changes in assumptions	1,384,080	2,848	36,978	1,423,906
Net difference between projected and actual earnings on pension plan investments	715,979	9,651	-	725,630
Changes in proportion and differences between County contributions and proportionate share of contributions	34,730	588	-	35,318
County contributions (LGERS,ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,070,611	4,871	11,519	1,087,001
Deferred Inflows of Resources				
Differences between expected and actual experience	27,001	2,764	-	29,765
Changes in assumptions	-	-	36,671	36,671
Changes in proportion and differences between County contributions and proportionate share of contributions	54,085	1,269	-	55,354

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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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.

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

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.

Retired Employees' Years of Creditable	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	Coverage until Medicare eligibility
30+ years	Full coverage paid by the	Full coverage paid by the County

Plan Membership. At June 30, 2019, the HCB Plan membership consisted of the following:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	88	13
Terminated plan members entitled to but not yet	0	0
Active plan members	303	30
Total	391	43

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.

The County's total OPEB liability of $18,875,330 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
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	3.89 percent
Healthcare cost trend rates:	
Pre-Medicare	7.25 percent for 2018 decreasing to an ultimate rate of 4.75 percent by 2028
Medicare	5.38 percent for 2018 decreasing to an ultimate rate of 4.75 percent by 2022

The discount rate is based on Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

g. Other Postemployment Benefits (continued)

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, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 - December 31, 2014, adopted by the LGERS Board.

Discount rate . Changes in assumptions and other inputs reflect a change in the discount rate from 3.56% to 3.89%.

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

The following presents the net OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.89 percent) and 1-percentage-point higher (4.89 percent) than the current discount rate:

	1% Decrease (2.89 percent)	Discount Rate (3.89 Percent)	1% Increase (4.89 percent)
Total OPEB liability (asset)	$ 22,240,626	$ 18,875,330	$ 16,214,891

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)	$ 15,954,379	$ 18,875,330	$ 22,650,036

Changes in Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB . At June 30, 2019, the County reported a total OPEB liability of $18,875,330. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2019, the components of the total OPEB liability of the County, measured as of June 30, 2018, were as follows:

	Total OPEB Liability
Balances at June 30, 2017	$ 21,008,211
Changes for the Year:	
Service Cost	794,652
Interest	738,161
Differences between Expected and Actual experience	(2,223,909)
Changes of assumptions or other inputs	(890,254)
Benefit payments	(551,531)
Net Changes	(2,132,881)
Balances at June 30, 2018	$ 18,875,330

Changes of assumptions . Changes of assumptions and other inputs reflect a change in the discount rate from 3.56 percent to 3.89 percent.

For the year ended June 30, 2019, the County recognized OPEB expense of $824,453. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

g. Other Postemployment Benefits (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 18,458	$ 1,926,197
Changes of assumptions	-	2,258,544
Net difference between projected and actual earnings on plan investments	-	-
Benefit payments and administrative costs made subsequent to the measurement date	447,478	-
Total	$ 465,936	$ 4,184,741

$447,478 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, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	
2020	$ (708,360)
2021	(708,360)
2022	(708,360)
2023	(708,360)
2024	(708,360)
Thereafter	(624,483)

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 $1,046,510 reported as landfill closure and post-closure care liability at June 30, 2019 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 2019.

The landfill was certified as closed in fiscal year 2000. Closure and post closure care costs will end if fiscal year 2030. The County's estimated post closure care cost liability of $1,046,510 is based on estimated annual post closure care costs of $95,137 plus 2% annual inflation, for the remaining 11 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	$ 804,679	$ 27,001
Register of Deeds	534	2,764
LEOSSA	38,816	-
OPEB	18,458	1,926,197
Changes of assumptions		
LGERS	1,384,080	-
Register of Deeds	2,848	-
LEOSSA	36,978	36,671
OPEB	-	2,258,543
Pensions - difference between projected and actual investment		
LGERS	715,979	-
Register of Deeds	9,651	-
LEOSSA	-	-
OPEB	-	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	34,730	54,085
Register of Deeds	588	1,269
LEOSSA	-	-
Contributions, benefits and admin costs paid subsequent to measurement date		
LGERS	1,070,611	-
Register of Deeds	4,871	-
LEOSSA	11,519	-
Benefit payments for the OPEB plan paid subsequent to measurement date	447,478	-
Prepaid taxes not yet earned (General Fund)	-	94,850
Note receivable		9,300
Taxes receivable, net (General)	-	1,280,839
	$ 4,581,820	$ 5,691,519

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, 2019, 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, 2019 are comprised of the following individual issues:

Serviced by the County's Water and Sewer District:

$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%.	$ 5,387,000
$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%.	2,090,000
$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%.	3,749,000
$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%.	212,000
	$ 11,438,000

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

Year Ending	Governmental Activities		Business-Type Activities		
June 30	Principal	Interest	Principal	Interest	Total
2020	$ -	$ -	$ 188,000	$ 339,625	$ 527,625
2021	-	-	198,000	334,030	532,030
2022	-	-	204,000	328,180	532,180
2023	-	-	210,000	322,150	532,150
2024	-	-	215,000	315,940	530,940
2025-2029	-	-	1,173,000	1,480,355	2,653,355
2030-2034	-	-	1,360,000	1,295,853	2,655,853
2035-2039	-	-	1,570,000	1,082,122	2,652,122
2040-2044	-	-	1,819,000	834,608	2,653,608
2045-2049	-	-	2,105,000	547,612	2,652,612
2050-2054	-	-	2,364,000	214,784	2,578,784
2055-2059	-	-	32,000	1,595	33,595
	$ -	$ -	$ 11,438,000	$ 7,096,854	$ 18,534,854

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 6/30/19 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%.	$ 52,671
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%.	118,971
An agreement was entered into on June 21, 2016 for the purchase of eight law enforcement vehicles. The agreement was for 16 quarterly payments of $17,884 each including interest at 1.51%.	70,866
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%.	195,329
An agreement was entered into on July 28, 2015 for the purchase of nine law enforcement vehicles, an ambulance and cardiac monitor. The agreement was for 16 quarterly payments of $27,089 each including interest at 1.46%.	26,990
An agreement was entered into on March 24, 2017 for the purchase of an EMS vehicle, Zoll Cardiac Monitor, and four Law Enforcement vehicles. The agreement was for 16 quarterly payments of $21,037 each including interest at 2.03%.	144,313
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%.	240,756
Total Capital Leases	$ 849,896

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

	Cost	Accumulated Depreciation	Net Book Value
Equipment and Vehicles	$ 2,102,636	$ 1,742,250	$ 360,386

For Vance County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 are as follows:

Year Ending June 30,	Principal
2020	$ 372,754
2021	253,095
2022	144,152
2023	71,946
2024	20,875
Thereafter	31,311
Total minimum lease payment	$ 894,133
Less: amounts representing interest	44,237
Present value of minimum lease payments	$ 849,896

At June 30, 2019, the legal debt margin is $211,813,828.

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, 2019. 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.	$ 7,150,000
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.	717,000
On November 12, 2003, 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 15 semiannual installments of $77,487 with no interest. The buildings and fixtures are pledged as collateral for the debt.	290,695
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.	675,778
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.	1,831,350
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.	1,108,632

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

7. Long-term obligations (continued)

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. 1,125,000

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. 1,622,904

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. 464,535

$ 14,985,894

The total future minimum payments of the County's installment purchase obligations as of June 30, 2019, including interest of $2,290,398 were as follows:

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

Year Ending June 30	Governmental Activities	
	Principle	Interest
2020	$ 1,362,496	$ 383,721
2021	1,374,883	349,130
2022	1,376,218	310,919
2023	1,276,649	72,776
2024	1,279,004	234,573
2025-2029	5,521,616	637,743
2030-2034	1,908,806	147,147
2035-2039	309,172	90,948
2040-2044	347,688	52,432
2045-2049	229,362	11,009
	$ 14,985,894	$ 2,290,398

Note 3 – Detail Notes on All Funds (continued)

2. LIABILITIES (continued)

7. Long-term obligations (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, 2019:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019	Current Portion of Balance
Governmental Activities:					
General obligation debt	$ 430,000	$ -	$ 430,000	$ -	$ -
Direct placement Installment purchases	16,131,761	474,851	1,620,718	14,985,894	1,373,116
Capital leases	996,826	256,000	402,930	849,896	353,151
Compensated absences	880,631	235,549	91,652	1,024,528	-
Net pension liability (LGERS)	3,307,541	1,890,556	-	5,198,097	-
Total pension liability (LEOSSA)	860,596	4,777	-	865,373	-
Net OPEB Liability	20,930,481	-	2,124,990	18,805,491	-
Total governmental activities	$ 43,537,836	$ 2,861,733	$ 4,670,290	$ 41,729,279	$ 1,726,267
Business-Type Activities:					
Accrued landfill closure and post-closure care cost	$ 1,119,262	$ -	$ 72,752	$ 1,046,510	$ -
General obligation debt	11,408,000	212,000	182,000	11,438,000	188,000
Note payable	1,531,250	-	1,531,250	-	-
Compensated absences	5,033	13	-	5,046	-
Net pension liability (LGERS)	11,284	6,450	-	17,734	-
Net OPEB Liability	77,730	-	7,891	69,839	-
Total business-type activities	$ 14,152,559	$ 218,463	$ 1,793,893	$ 12,577,129	$ 188,000

The following is a summary of changes in the ABC Board's long-term obligations for the fiscal year ended June 30, 2019:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019	Current Portion of Balance
Net pension liability	$ 51,179	$ 29,481	$ -	$ 80,660	$ -
Compensated absences	31,145	482	-	31,627	-
Other postemployment benefits	297,254	-	4,081	293,173	-
Total ABC Board	$ 379,578	$ 29,963	$ 4,081	$ 405,460	$ -

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 Tourism Development Authority's long-term obligations for the fiscal year ended June 30, 2019:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019	Current Portion of Balance
Notes payable	$ -	$ -	$ -	$ -	$ -
Net pension liability	31,529	-	15,882	15,647	-
Compensated absences	7,358	2,616	5,788	4,186	4,186
Net OPEB Liability	118,408	-	52,256	66,152	-
Total ABC Board	$ 157,295	$ 2,616	$ 73,926	$ 85,985	$ 4,186

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, 2019, there were three series of industrial revenue bonds outstanding, with an aggregate principal amount payable of $1.24 million.

3. FUND BALANCE

Interfund Balances and Activity

Transfers to/from other funds at June 30, 2019, consist of the following:

From the General Capital Reserve Fund to the Debt Service Fund to help pay debt service obligations.	$ 944,692
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.	2,168,199
From the General Fund to the General Capital Reserve Fund to provide funding for maintenance and special projects.	245,604
From the General Fund to the Water Fund to provide funding to cover operating deficit.	346,784
From the General Fund to the Economic Development Fund for purchase of land for Phase III of Henderson-Vance Industrial Park.	1,716,615
From the General Fund to the Solid Waste Fund for budgeted transfers.	924
From the General Fund to the Fire District Fund for budgeted transfers.	6,719
From the Capital Reserve - General Fund to the Water System Capital Project Fund for Phase 3 owner contribution.	1,057
From the Debt Service Fund to the General Fund for debt service.	7,973
From the ETS Wireless Fund to the General Fund for salary and benefits for one position.	54,608
From the Facility Fee Fund to the General Fund to cover costs of Courthouse operations.	61,135
From the Fire District Fund to the General Fund for administrative services, paid volunteers, VCFD fire tax allocations.	226,342

Note 3 - Detail Notes on All Funds (continued)

3. FUND BALANCE (continued)

Interfund Balances and Activity (continued)

From the General Capital Reserve Fund to the General Fund for building repairs and other projects.	120,966
From the School Capital Reserve Fund to the General Fund for school capital outlay budgeted for FY 2019.	1,337,000
From the School Capital Reserve Fund to the Debt Service Schools Fund for debt repayment.	1,530,465
Total Interfund Transfers	$ 8,809,683

Balances due to/from other funds as of June 30, 2019, consist of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Neighborhood Stabilization Fund	$ 160,452
General Fund	Facility Fees Fund	5,019
Total Due to/from Other Funds		$ 165,471

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.

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 bund 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, 2019:

Total fund balance- General Fund	$ 20,149,108
Less:	
Stabilization by state statute	3,291,017
Restricted for revaluation	290,630
Restricted for facility improvements	1,858
Committed for LEOSSA and OPEB benefits	307,002
Committed for animal shelter	15,976
Appropriated Fund Balance in 2020 budget	1,249,853
Remaining Fund Balance	$ 14,992,772

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 $730,000 to the Health District during the fiscal year ended June 30, 2019. 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, 2019. Complete financial statements for the Health District can be obtained from the Health District's administrative offices at 101 Hunt Drive, Oxford, NC 27565.

Cardinal Innovative Healthcare Solutions was established to provide mental health services for five counties: Vance, Warren, Granville, Franklin, and Halifax. Each county has one board member on the Cardinal Innovative Healthcare Solutions Authority Board, but none individually has authority to designate management. The County contributed $170,522 to the Authority during the fiscal year ended June 30, 2019. 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, 2019. Complete financial statements for the Five County Mental Health Authority can be obtained from their administrative offices.

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 also provides some financial support for the Community College's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed $1,151,597 and $41,220 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2019. In addition, the County made debt service payments of $83,903 during the fiscal year on installment purchase obligations issued for community college capital facilities. 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, 2019. Complete financial statements for the Community College may be obtained form the Community College's administrative offices at P.O. Box 918, 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 $ 204,191 to KARTS during the fiscal year ended June 30, 2019. 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, 2019. 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 $17,380 to the Council during the fiscal year ended June 30, 2019. 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, 2019, Vance County began negotiations on a contract to provide an economic incentive to open broadband service throughout Vance County. The contract was not finalized until the following fiscal year.

Note 7 - Special Agreements

The County had a note payable with the City of Henderson to purchase water. The City forgave the loan balance, so the County removed the note payable and associated asset from their books in the amount of $1,531,250.

Note 8 - Subsequent Events

Subsequent events have been evaluated as of January 30, 2020, the date the financial statements were available for review.

Note 9 - Prior Period Adjustment

A prior period adjustment is reported to reflect a transfer that was posted back to the prior year after the audit was completed. There was no net effect to the total General Fund, as the transfer was between the LEOSSA Pension Fund, which is consolideated with the General Fund.

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 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 Proportionate Share of Net Pension Liability (Asset)
Local Government Employees' Retirement System
Last Six Fiscal Years*

	Local Government Employees' Retirement System					
	2019	**2018**	**2017**	**2016**	**2015**	**2014**
County's proportion of the net pension liability (asset) (%)	0.21986%	0.21724%	0.20088%	0.20260%	0.20307%	0.21170%
County's proportion of the net pension liability (asset) ($)	$ 5,215,831	$ 3,318,825	$ 4,263,347	$ 909,257	$ (1,197,597)	$ 2,551,798
County's covered payroll	$13,256,124	$ 12,457,196	$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	39.35%	26.64%	36.00%	7.65%	-10.41%	22.17%
Plan fiduciary net position as a percentage of the total pension	92.00%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

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

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

	Local Government Employees' Retirement System					
	2019	**2018**	**2017**	**2016**	**2015**	**2014**
Contractually required contribution	$ 1,070,611	$ 985,875	$ 792,557	$ 795,724	$ 844,790	$ 813,633
Contributions in relation to the contractually required contribution	1,070,611	985,875	792,557	795,724	844,790	813,633
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
County's covered payroll	$ 13,534,969	$ 13,256,124	$ 12,457,196	$ 11,843,244	$ 11,883,802	$ 11,508,246
Contributions as a percentage of covered-employee payroll	7.91%	7.44%	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 2024.

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

	2019	2018	2017	2016	2015	2014
County's proportionate share of the net pension liability (%)	0.3547%	0.3568%	0.3612%	0.37046	0.381%	0.350%
County's proportionate share of the net pension liability ($)	$(60,551)	$ (60,899)	$ (67,524)	$ (85,850)	$ (86,355)	$ (74,850)
Plan fiduciary net position as a percentage of the total pension liability **	153.31%	153.77%	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 2024.

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

	2019	2018	2017	2016	2015	2014
County's required contribution	$ 4,871	$ 4,248	$ 4,123	$ 2,951	$ 2,964	$ 3,111
Contributions in relation to contractually required contribution	4,871	4,248	4,123	2,951	2,964	3,111
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -

* Information is not required to be presented retroactively.
This schedule will not present 10 years' worth of information until fiscal year 2024.

Vance County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2019

	2019	2018	2017
Beginning Balance	$ 860,596	$ 745,443	$ 728,452
Service Cost	41,506	35,825	35,498
Interest on the total pension liability	26,504	27,884	25,524
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	14,105	41,296	-
Changes of assumptions or other inputs	(33,631)	56,288	(17,044)
Benefit payments	(43,707)	(46,140)	(26,987)
Other changes	-	-	-
Ending balance of the total pension liability	$ 865,373	$ 860,596	$ 745,443

The amounts presented for each fiscal year were

* Information is not required to be presented retroactively.
This schedule will not present 10 years' worth of information until fiscal year 2027.

Vance County, North Carolina
Schedule of Changes in Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2019

	2019	2018	2017
Total pension liability	$ 865,373	$ 860,596	$ 745,443
Covered payroll	1,601,700	1,421,180	1,300,214
Total pension liability as a percentage of covered payroll	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 2027.

Vance County, North Carolina
Schedule of Changes in Net OPEB Liability and Related Ratios
Healthcare Benefits Plan
For the Year Ended June 30, 2019

	2019	2018
Total OPEB Liability		
Service cost	$ 794,652	$ 900,386
Interest	738,161	655,838
Changes of benefit terms	-	-
Differences between expected and actual experience	(2,223,909)	25,782
Changes of assumptions	(890,254)	(2,077,733)
Benefit payments	(551,531)	(565,191)
Net change in total OPEB liability	(2,132,881)	(1,060,918)
Total OPEB liability - beginning	21,008,211	22,069,129
Total OPEB liability - ending	$ 18,875,330	$ 21,008,211
Covered payroll	$ 12,171,653	$ 10,700,818
Total OPEB liability as a percentage of covered payroll	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:

Fiscal Year	Rate
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 Fiscal Year Ended June 30, 2019

	General Fund	Revaluation Fund	Debt Service Fund	School Debt Service Fund	Facility Fees Fund	LEOSSA Pension Fund	Totals June 30, 2019
ASSETS							
Cash and cash equivalents	$ 17,815,989	$ -	$ 541	$ -	$ -	$ 307,002	$ 18,123,532
Restricted Cash	15,976	290,630	-	-	-	-	306,606
Receivables:							
Property Tax	1,220,077	-	-	-	-	-	1,220,077
Accounts receivable	2,963,306	-	-	-	6,495	-	2,969,801
Due from other governments	155,363	-	-	-	382	-	155,745
Due from other funds	165,471	-	-	-	-	-	165,471
Total assets	22,336,182	290,630	541	-	6,877	307,002	$ 22,941,232
LIABILITIES AND FUND BALANCES							
Liabilities:							
Due to other funds	-	-	-	-	5,019	-	5,019
Accounts payable and accrued liabilities	1,452,166	-	-	-	-	-	1,452,166
Due to other governments	20,012	-	-	-	-	-	20,012
Total liabilities	1,472,178	-	-	-	5,019	-	1,477,197
Deferred inflows of resources							
Prepaid taxes	94,850	-	-	-	-	-	94,850
Reserve for taxes receivable	1,220,077	-	-	-	-	-	1,220,077
Total deferred inflows of resources	1,314,927	-	-	-	-	-	1,314,927
Fund balances:							
Restricted							
Stabilization by state statute	3,284,140	-	-	-	6,877	-	3,291,017
Tax revaluation	-	290,630	-	-	-	-	290,630
Facility improvements	-	-	-	-	1,858	-	1,858
Committed							
LEO SSA Pension and OPEB benefits	-	-	-	-	-	307,002	307,002
Animal Shelter Reserve	15,976	-	-	-	-	-	15,976
Assigned							
Subsequent years' expenditures	1,249,853	-	-	-	-	-	1,249,853
Unassigned	14,999,108	-	541	-	(6,877)	-	14,992,772
Total fund balances	19,549,077	290,630	541	-	1,858	307,002	20,149,108
Total liabilities, deferred inflows of resources, and fund balances	$ 22,336,182	$ 290,630	$ 541	$ -	$ 6,877	$ 307,002	$ 22,941,232

Vance County, North Carolina
General Fund
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2019

	General Fund	Revaluation Reserve Fund	Debt Service Fund	School Debt Service Fund	Facility Fees Fund	LEOSSA Pension Fund	Totals June 30, 2019
Revenues							
Ad valorem taxes	$ 24,575,782	$ -	$ -	$ -	$ -	$ -	$ 24,575,782
Local option	9,136,648	-	-	-	-	-	9,136,648
Other taxes and licenses	58,230	-	-	-	-	-	58,230
Unrestricted intergovernmental	287,004	-	-	-	-	-	287,004
Restricted intergovernmental	8,401,499	-	-	-	85,607	-	8,487,106
Sales service	3,477,091	-	-	-	-	-	3,477,091
Investment earnings	25,631	5,853	809	-	95	7,043	39,431
Miscellaneous other	248,210		-	-	-	-	248,210
Total revenues	46,210,095	5,853	809	-	85,702	7,043	46,309,502
Expenditures							
General Government	4,992,752	43,550	-	-	22,709	-	5,059,011
Public safety	14,870,837	-	-	-	-	-	14,870,837
Transportation	28,750	-	-	-	-	-	28,750
Environmental protection	18,829	-	-	-	-	-	18,829
Economic and community development	1,146,406	-	-	-	-	-	1,146,406
Human services	11,710,148	-	-	-	-	-	11,710,148
Cultural and recreational	1,817,181	-	-	-	-	-	1,817,181
Education	10,962,257	-	-	-	-	-	10,962,257
Debt Services							
Principal	413,245	-	826,518	1,213,885	-	-	2,453,648
Interest and fees	11,666	-	110,469	316,580	-	-	438,715
Total expenditures	45,972,071	43,550	936,987	1,530,465	22,709	-	48,505,782
Revenues over (under) expenditures	238,024	(37,697)	(936,178)	(1,530,465)	62,993	7,043	(2,196,280)
Other financing sources (uses):							
Transfers in	1,932,662	40,600	944,692	1,530,465		-	4,448,419
Transfers out	(5,345,499)	-	(7,973)	-	(61,135)	-	(5,414,607)
Proceeds from lease obligations	730,851	-	-	-	-	-	730,851
Sales of fixed assets	28,457	-	-	-	-	-	28,457
Total other financing sources (uses)	(2,653,529)	40,600	936,719	1,530,465	(61,135)	-	(206,880)
Revenues and other financing sources over (under) expenditures and other financing uses	(2,415,505)	2,903	541	-	1,858	7,043	(2,403,160)
Fund balances, beginning	21,901,555	287,727	-	-	-	362,986	22,552,268
Prior period adjustment (See Note 9)	63,027	-	-	-	-	(63,027)	-
Fund balances, ending	$ 19,549,077	$ 290,630	$ 541	$ -	$ 1,858	$ 307,002	$ 20,149,108

Vance County, North Carolina
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	2019		
	Budget	Actual	Variance Positive (Negative)
Revenues			
Ad Valorem taxes			
Taxes	$ 24,299,540	$ 24,405,389	$ 105,849
Penalties and interest	154,300	170,393	16,093
Total	24,453,840	24,575,782	121,942
Local option sales tax			
Article 39 one percent	4,448,568	4,576,856	128,288
Article 40 one - half of one percent	2,840,107	2,879,506	39,399
Article 42 one - half of one percent	2,376,447	2,446,877	70,430
Hold Harmless	(764,141)	(766,591)	(2,450)
Total	8,900,981	9,136,648	235,667
Other taxes and licenses			
Real estate transfer tax	25,500	25,135	(365)
Motor Vehicle rental tax	28,000	30,342	2,342
Privilege licenses	3,000	2,753	(247)
Total	56,500	58,230	1,730
Unrestricted intergovernmental			
Beer and wine tax	130,000	128,661	(1,339)
ABC Distribution	120,000	66,634	(53,366)
Video franchise fees	125,000	91,709	(33,291)
Total	375,000	287,004	(87,996)
Restricted intergovernmental			
Federal, State, and local grants	7,202,108	6,903,658	(298,450)
H.L. Perry Library	595,000	607,881	12,881
Vance County Housing Authority	202,000	213,630	11,630
911 fees	679,267	655,144	(24,123)
ABC bottle tax	20,000	21,186	1,186
Total	8,698,375	8,401,499	(296,876)

Vance County, North Carolina
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	2019		
	Budget	Actual	Variance Positive (Negative)
Sales and services			
Animal Shelter	84,700	84,013	(687)
4H service	23,200	21,051	(2,149)
DSS local fees	93,100	73,576	(19,524)
City of Henderson- tax collections fees	176,179	201,724	25,545
Elections	43,716	42,434	(1,282)
Rent	26,500	26,501	1
Sale of maps and ordinance	25	25	-
Fire incident billing reimbursement	8,500	5,508	(2,992)
Law enforcement fees	553,561	539,019	(14,542)
Jail fees	247,000	233,667	(13,333)
Ambulance fees	1,625,000	1,680,768	55,768
Register of deeds	253,200	247,112	(6,088)
Inspection fees	300,000	261,134	(38,866)
Tax foreclosure fees	26,500	32,498	5,998
Vance County TDA fees	25,000	28,061	3,061
Total	3,486,181	3,477,091	(9,090)
Investment earnings	26,000	25,631	(369)
Total	26,000	25,631	(369)
Miscellaneous:			
Fines	400	540	140
Other revenues	68,220	247,670	179,450
Total	68,620	248,210	179,590
Total revenues	46,065,497	46,210,095	144,598
Expenditures			
General Government:			
Governing body:			
Salaries and employee benefits		113,756	
Other operating expenditures		177,177	
Total	291,046	290,933	113
Administration and finance:			
Salaries and employee benefits		880,881	
Other operating expenditures		68,450	
Capital outlay		11,933	
Total	981,791	961,264	20,527

Vance County, North Carolina
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	2019		
	Budget	Actual	Variance Positive (Negative)
Elections:			
Salaries and employee benefits		171,087	
Other operating expenditures		84,465	
Total	264,948	255,552	9,396
Taxes:			
Salaries and employee benefits		541,089	
Other operating expenditures		389,222	
Capital Outlay		-	
Total	964,869	930,311	34,558
County Attorney:			
Contracted Services		92,314	
Total	106,860	92,314	14,546
Court facilities:			
Salaries and employee benefits		169,235	
Other operating expenditures		237,268	
Capital outlay	-	-	
Total	426,442	406,503	19,939
Register of deeds:			
Salaries and employee benefits		231,115	
Other operating expenditures		50,913	
Total	299,419	282,028	17,391
Public Buildings			
Salaries and employee benefits		180,301	
Other operating expenditures		290,699	
Capital Outlay		209,103	
Total	766,485	680,103	86,382
Central Services			
Salaries and employee benefits		4,198	
Other operating expenditures		95,967	
Capital Outlay		223,683	
Retiree health insurance		447,478	
Total	851,768	771,326	80,442
Management Information Systems			
Salaries and employee benefits		223,937	
Other operating expenditures		60,487	
Capital outlay		37,994	
Total	336,501	322,418	14,083
Total General Government	5,290,129	4,992,752	297,377

Vance County, North Carolina
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	2019		
	Budget	Actual	Variance Positive (Negative)
Public safety:			
Sheriff:			
Salaries and employee benefits		3,464,282	
Other operating expenditures		532,534	
Capital outlay		278,192	
Total	4,551,805	4,275,008	276,797
Jail:			
Salaries and employee benefits		2,583,102	
Other operating expenditures		1,631,720	
Total	4,405,847	4,214,822	191,025
Sheriff's interdiction program			
Other operating expenditures		11,306	
Total	15,000	11,306	3,694
Fire and ambulance			
Salaries and employee benefits		2,826,903	
Other operating expenditures		1,360,881	
Capital outlay		42,481	
Total	4,530,195	4,230,265	299,930
E911 communications			
Salaries and employee benefits		1,287,947	
Other operating expenditures		177,033	
Capital outlay		-	
Total	1,511,647	1,464,980	46,667
Animal control:			
Salaries and employee benefits		303,804	
Other operating expenditures		175,410	
Total	519,702	503,381	16,321
Rescue squad			
Contracted services		101,375	
Total	102,215	101,375	840
Medical examiner			
Contracted services		65,200	
Total	85,000	65,200	19,800
Crime stoppers			
Other operating expenditures		500	(500)
Total	500	500	-

Vance County, North Carolina
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	2019		
	Budget	Actual	Variance Positive (Negative)
Beaver management			
Other operating expenditures		4,000	
Total	4,000	4,000	-
Total public safety	15,725,911	14,870,837	855,074
Transportation			
Contribution to regional airport		28,750	(28,750)
	28,750	28,750	-
Environmental Protection			
Demolitions and removals		18,829	
	30,000	18,829	11,171
Economic and Community Development:			
Economic development:			
Salaries and employee benefits		143,751	
Other operating expenditures		111,523	
	296,366	255,274	41,092
Soil and water conservation:			
Salaries and employee benefits		103,903	
Other operating expenditures		6,727	
	116,021	110,630	5,391
Planning:			
Salaries and employee benefits		428,914	
Other operating expenditures		48,647	
Total	548,272	532,592	15,680
Contributions to other agencies:			
Kerr Tar Regional COG membership dues		17,380	
Economic Development Commission		38,000	
Various other agencies		5,439	
Total	60,868	60,819	49
Farmers Market			
Salaries and employee benefits		16,797	
Other operating expenditures		16,126	
Total	35,337	32,923	2,414
Cooperative extensions:			
Salaries and employee benefits		5,337	
Other operating expenditures		35,948	
Capital outlay		112,883	
Total	184,278	154,168	30,110

Vance County, North Carolina
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	2019		
	Budget	Actual	Variance Positive (Negative)
Total Economic and Physical Development	1,241,142	1,146,406	94,736
Human Services:			
Health:			
Administration:			
Other operating expenditures		4,323	
Contracted Services- GVHD		655,000	
Capital outlay		-	
Total	670,228	659,323	10,905
Mental health:			
Administration:			
Other operating expenditures		301,487	
Total	314,213	301,487	12,726
Social services:			
Administration:			
Salaries and employee benefits		5,769,642	
Other operating expenditures		2,307,312	
Public assistance payments		379,101	
Work First assistance payments		217,535	
Day Care assistance payments		-	
Total	9,236,728	8,673,590	563,138
Aging services:			
Administration:			
Salaries and employee benefits		495,865	
Other operating expenditures		213,544	
Total	741,374	709,409	31,965
Nutritional meals:			
Administration:			
Salaries and employee benefits		10,911	
Other operating expenditures		42,665	
Purchased meals		57,140	
Total	145,412	110,716	34,696
Smart Start:			
Administration:			
Salaries and employee benefits		44,060	
Contracted services		12,578	
Operating expenditures		15,102	
Total	75,003	71,740	3,263

Vance County, North Carolina
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	2019		
	Budget	Actual	Variance Positive (Negative)
Veterans services:			
Salaries and employee benefits		116,045	
Other operating expenditures		7,337	
Total	127,144	123,382	3,762
Vance County Housing Authority:			
Salaries and employee benefits		215,115	
Other operating expenditures		35	
	231,550	215,150	16,400
NYPUM Program:			
Contracted Services		134,323	
Operating expenditures		8,722	
Total	149,798	143,045	6,753
Pal-to-Pal Program:			
Contracted services		43,333	
Operating expenditures		11,049	
Total	59,299	54,382	4,917
Other Human Services Contributions:			
Lifeline	2,400	2,400	-
FVW Opportunities	12,000	12,000	-
K.A.R.T.S.	156,868	156,562	306
Central Children's Home	-	-	-
Smart Start	4,500	4,500	-
Boys and Girls Club	27,000	27,000	-
JCPC	11,646	11,233	413
KWA Financial Asst	250,000	244,592	5,408
Other contributions	231,166	189,637	41,529
	695,580	647,924	47,656
Total Human Services	12,446,329	11,710,148	736,181
Cultural and recreational:			
Recreation:			
Operating expenditures- City of Henderson	590,310	534,414	55,896
Arts Council:			
Operating expenditures	900	900	-
Libraries			
Salaries and employee benefits	-	610,707	(610,707)
Contribution to regional library	-	671,160	(671,160)
Total	1,308,660	1,281,867	26,793
Total cultural and recreational	1,899,870	1,817,181	82,689

Vance County, North Carolina
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	2019		
	Budget	Actual	Variance Positive (Negative)
Education:			
Public schools- current	8,432,440	8,432,440	-
Public schools- capital outlay	1,337,000	1,337,000	-
Community colleges- current	1,151,597	1,151,597	-
Community colleges-capital outlay	41,220	41,220	-
Total Education	10,962,257	10,962,257	-
Debt service:			
Debt principal	423,998	413,245	10,753
Interest and fees	27,368	11,666	15,702
Total debt service	451,366	424,911	26,455
Total expenditures	48,075,754	45,972,071	2,103,683
Revenue over (under) expenditures	(2,010,257)	238,024	2,248,281
Other Financing Sources (Uses):			
Transfers to other funds	(5,489,977)	(5,345,499)	144,478
Transfers from other funds	1,995,491	1,932,662	(62,829)
Total operating transfers	(3,494,486)	(3,412,837)	81,649
Proceeds from lease obligation	731,000	730,851	(149)
Sale of fixed assets	30,000	28,457	(1,543)
Contingency	(64,450)	-	64,450
Appropriated fund balance	4,808,193	-	(4,808,193)
Total other financing sources (uses)	2,010,257	(2,653,529)	(4,663,786)
Net change in fund balance	$ -	(2,415,505)	$ (2,415,505)
Fund balance, beginning		21,901,555	
Prior period adjustment (See Note 9)		63,027	
Fund balance, ending		$ 19,549,077	

Vance County, North Carolina
Revaluation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	$ 1,500	$ 5,853	$ 4,353
Total revenues	1,500	5,853	4,353
Expenditures			
General Government			
Tax revaluation	322,288	43,550	278,738
Total Expenditures	322,288	43,550	278,738
Revenue over (under) expenditures	(320,788)	(37,697)	283,091
Other Financing Sources (Uses)			
Transfer from General Fund	40,600	40,600	-
Fund Balance Appropriated	280,188	-	(280,188)
Total other financing sources	320,788	40,600	(280,188)
Revenues and appropriated fund balance over (under) expenditures	$ -	2,903	$ 2,903
Fund balance, beginning		287,727	
Fund balance, ending		$ 290,630	

Vance County, North Carolina
Debt Service Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	$ 300	$ 809	$ 509
Total revenues	300	809	509
Expenditures			
Debt Service			
Principal retirement	834,521	826,518	8,003
Interest and fees	110,471	110,469	2
Total Expenditures	944,992	936,987	8,005
Revenue over (under) expenditures	(944,692)	(936,178)	8,514
Other Financing Sources (Uses)			
Transfer from General Fund	944,692	944,692	-
Transfer to General Fund	-	(7,973)	(7,973)
Total other financing sources	944,692	936,719	(7,973)
Revenue and other financing sources over (under) expenditures	$ -	541	$ 541
Fund balance, beginning		-	
Fund balance, ending		$ 541	

Vance County, North Carolina
School Debt Service Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	$ -	$ -	$ -
Total revenues	-	-	-
Expenditures			
Debt Service			
Principal retirement	1,224,307	1,213,885	10,422
Interest and fees	316,581	316,580	1
Total Expenditures	1,540,888	1,530,465	10,423
Revenue over (under) expenditures	(1,540,888)	(1,530,465)	10,423
Other Financing Sources (Uses)			
Transfer from General Fund	1,540,888	1,530,465	(10,423)
Total other financing sources	1,540,888	1,530,465	(10,423)
Revenues and appropriated fund balance over (under) expenditures	$ -	-	$ -
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 Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted intergovernmental	$ 85,500	$ 85,607	$ 107
Investment earnings	80	95	15
Total revenues	85,580	85,702	122
Expenditures			
General Government			
Courthouse facility fees	24,445	22,709	1,736
Total Expenditures	24,445	22,709	1,736
Revenue over (under) expenditures	61,135	62,993	1,858
Other Financing Sources (Uses)			
Transfer to General Fund	(61,135)	(61,135)	-
Total other financing sources	(61,135)	(61,135)	-
Revenue and other financing sources over (under) expenditures	$ -	1,858	$ 1,858
Fund balance, beginning		-	
Fund balance, ending		$ 1,858	

Vance County, North Carolina
Law Enforcement Officers Special Separation Allowance
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	$ 2,500	$ 7,043	$ 4,543
Total revenues	2,500	7,043	4,543
Expenditures			
Public Safety			
LEO Separation allowance benefit	299,350	-	299,350
Total Expenditures	299,350	-	299,350
Revenue over (under) expenditures	(296,850)	7,043	303,893
Other Financing Sources (Uses)			
Fund Balance Appropriated	296,850	-	(296,850)
Total other financing sources	296,850	-	(296,850)
Revenue and other financing sources over (under) expenditures	$ -	7,043	$ 7,043
Fund balance, beginning		362,986	
Prior period adjustment (See Note 9)		(63,027)	
Fund balance, ending		$ 307,002	

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, 2019

	Special Revenue Funds	Capital Project Funds	Totals June 30, 2019
ASSETS			
Cash and cash equivalents	$ 1,014,393	$ 132,335	$ 1,146,728
Restricted cash	-	1,321,188	1,321,188
Receivables:			
Property tax	60,762	-	60,762
Accounts receivable	65,903	-	65,903
Due from other governments	10,018	1,313	11,331
Notes receivable	9,300	-	9,300
Total assets	$ 1,160,376	$ 1,454,836	$ 2,615,212
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	$ 15,746	$ 7,017	$ 22,763
Due to other funds	160,452	-	160,452
Total liabilities	176,198	7,017	183,215
DEFERRED INFLOWS OF RESOURCES			
Taxes Receivable	60,762	-	60,762
Notes Receivable	9,300	-	9,300
Total deferred inflows of resources	70,062	-	70,062
Fund balances:			
Restricted:			
Stabilization by state statute	85,221	1,313	86,534
Public safety	632,080	-	632,080
Capital Projects	-	1,446,506	1,446,506
School capital	-	-	-
Community development	357,267	-	357,267
Unassigned	(160,452)	-	(160,452)
Total fund balances	914,116	1,447,819	2,361,935
Total liabilities, deferred inflows of resources and fund balances	$ 1,160,376	$ 1,454,836	$ 2,615,212

Vance County, North Carolina
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2019

	Special Revenue Funds	Capital Project Funds	Totals June 30, 2019
Revenues			
Ad valorem taxes	$ 1,174,708	$ -	$ 1,174,708
Restricted intergovernmental	912,684	484,703	1,397,387
Investment earnings	10,833	20,057	30,890
Total revenues	2,098,225	504,760	2,602,985
Expenditures			
Current:			
Public safety	1,259,716	50,057	1,309,773
Economic and physical development	1,829,169	-	1,829,169
Education	-	32,995	32,995
Debt Services			
Principal	-	-	-
Interest and fees	-	-	-
Total expenditures	3,088,885	83,052	3,171,937
Excess (deficiency) of revenues over expenditures	(990,660)	421,708	(568,952)
Other financing sources:			
Transfers in	1,723,334	2,289,165	4,012,499
Transfers (out)	(280,950)	(3,114,126)	(3,395,076)
Total other financing sources (uses)	1,442,384	(824,961)	617,423
Net change in fund balance	451,724	(403,253)	48,471
Fund balances, beginning	462,392	1,851,072	2,313,464
Fund balances, ending	$ 914,116	$ 1,447,819	$ 2,361,935

Vance County, North Carolina
Non-Major Special Revenue Funds
Combining Balance Sheet
For the Fiscal Year Ended June 30, 2019

	Emergency Telephone System Fund	Fire District Fund	Economic Development Fund	Neighborhood Development Fund	Totals June 30, 2019
ASSETS					
Cash and cash equivalents	$ 147,334	$ 485,992	$ 381,067	$ -	$ 1,014,393
Receivables:					
Property Tax	-	60,762	-	-	60,762
Accounts receivable	47,723	2,255	15,925	-	65,903
Due from other governments	10,018	-	-	-	10,018
Notes Receivable	-	-	9,300	-	9,300
Total assets	$ 205,075	$ 549,009	$ 406,292	$ -	$ 1,160,376
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	$ 250	$ 996	$ 14,500	$ -	$ 15,746
Due to other funds	-	-	-	160,452	160,452
Total liabilities	250	996	14,500	160,452	176,198
Deferred inflows of resources					
Taxes receivable	-	60,762	-	-	60,762
Notes receivable	-	-	9,300	-	9,300
Total deferred inflows of resources	-	60,762	9,300	-	70,062
Fund balances:					
Restricted					
Stabilization by state statute	57,741	2,255	25,225	-	85,221
Public safety	147,084	484,996	-	-	632,080
Community Development	-	-	357,267	-	357,267
Unassigned	-	-	-	(160,452)	(160,452)
Total fund balances	204,825	487,251	382,492	(160,452)	914,116
Total liabilities, deferred inflows of resources, and fund balances	$ 205,075	$ 549,009	$ 406,292	$ -	$ 1,160,376

Vance County, North Carolina
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2019

	Emergency Telephone System Fund	Fire District Funds	Economic Development Fund	Neighborhood Stabilization Fund	Totals June 30, 2019
Revenues					
Ad valorem taxes	$ -	$ 1,174,708	$ -	$ -	$ 1,174,708
Restricted intergovernmental	572,671	-	338,413	1,600	912,684
Investment earnings	10,833	-	-	-	10,833
Total	583,504	1,174,708	338,413	1,600	2,098,225
Expenditures					
Public safety	374,672	885,044	-	-	1,259,716
Economic and community development	-	-	1,829,169	-	1,829,169
Debt Services					
Principal	-	-	-	-	-
Interest and fees	-	-	-	-	-
Total	374,672	885,044	1,829,169	-	3,088,885
Excess (deficiency) of revenues over expenditures	208,832	289,664	(1,490,756)	1,600	(990,660)
Other financing sources (uses):					
Transfers in	-	6,719	1,716,615	-	1,723,334
Transfers out	(54,608)	(226,342)	-	-	(280,950)
Total other financing sources (uses)	(54,608)	(219,623)	1,716,615	-	1,442,384
Net change in fund balance	154,224	70,041	225,859	1,600	451,724
Fund balances, beginning	50,601	417,210	156,633	(162,052)	462,392
Fund balances, ending	$ 204,825	$ 487,251	$ 382,492	$ (160,452)	$ 914,116

Vance County, North Carolina
Emergency Telephone System Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	2019		
	Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted intergovernmental	$ 572,670	$ 572,671	$ 1
Investment earnings	10,000	10,833	833
Total	582,670	583,504	834
Expenditures			
Public safety			
E-911 Fund			
Operating expenditures	320,968	264,107	56,861
Capital outlay	202,047	110,565	91,482
Debt Services			
Principal retirement	-	-	-
Interest expense	-	-	-
Total expenditures	523,015	374,672	148,343
Revenue over (under) expenditures	59,655	208,832	149,177
Other Financing Sources (Uses)			
Transfer to general fund	(59,655)	(54,608)	5,047
Fund Balance Appropriated	-	-	-
Total other financing sources (uses)	(59,655)	(54,608)	5,047
Revenues and other financing sources over (under) expenditures	$ -	154,224	$ 154,224
Fund balance, beginning		50,601	
Fund balance, ending		$ 204,825	

Vance County, North Carolina
Fire District Fund
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	2019		
	Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem tax	$ 1,146,394	$ 1,174,708	$ 28,314
Total Revenues	1,146,394	1,174,708	28,314
Expenditures			
Public Safety			
Contracted Services	1,103,270	787,880	315,390
Capital Outlay	105,000	97,164	7,836
Total Expenditures	1,208,270	885,044	323,226
Revenue over (under) expenditures	(61,876)	289,664	351,540
Other financing sources (uses):			
Transfer from general fund	6,719	6,719	-
Transfer to general fund	-	(226,342)	(226,342)
Fund Balance Appropriated	55,157	-	(55,157)
Total Other Financing Sources (Uses)	61,876	(219,623)	(281,499)
Revenues and other financing sources over (under) expenditures	$ -	70,041	$ 70,041
Fund balance, beginning		417,210	
Fund balance, ending		$ 487,251	

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, 2019

	2019		
	Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted Intergovernmental			
Lease income	$ 110,249	$ 110,249	$ -
TNCP Repayment	397,916	119,116	(278,800)
Triangle North Revenue Sharing	41,950	41,903	(47)
NC Ready Sites Grant	2,456,575	63,545	(2,393,030)
Town of Middleburg Loan	3,600	3,600	-
Total revenues	3,010,290	338,413	(2,671,877)
Expenditures			
Economic and physical development			
Special projects- economic incentives	100,000	-	100,000
Legal Fiscal Cost	10,070	550	9,520
Contracted Services	325,350	109,500	215,850
Construction and Renovation	1,928,323	5,545	1,922,778
Acquisition	1,700,000	1,609,264	90,736
CDBG Refund	456,071	-	456,071
Rural Center Refund	104,500	104,310	190
Contingency	192,832	-	192,832
Total expenditures	4,817,146	1,829,169	2,987,977
Revenue over (under) expenditures	(1,806,856)	(1,490,756)	316,100
Other Financing Sources (Uses)			
Transfer from general fund	1,806,856	1,716,615	(90,241)
Total other financing sources (uses)	1,806,856	1,716,615	(90,241)
Revenue and other sources over (under) expenditures	$ -	225,859	$ 225,859
Fund balance, beginning		156,633	
Fund balance, ending		$ 382,492	

Vance County, North Carolina
Neighborhood Stabilization Fund
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	2019				
	Project Authorization	Prior Years	Current Year	Totals to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
Federal grants					
Neighborhood Stabilization grant	$ 2,100,000	$ 1,370,978	$ 1,600	$ 1,372,578	$ (727,422)
Total Revenues	2,100,000	1,370,978	1,600	1,372,578	(727,422)
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	933,000	235,911	-	235,911	697,089
Total Expenditures	2,100,000	1,533,030	-	1,533,030	566,970
Revenue over (under) expenditures	$ -	$ (162,052)	1,600	$ (160,452)	$ (160,452)
Fund balance, beginning			(162,052)		
Fund balance, ending			$ (160,452)		

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 Fiscal Year Ended June 30, 2019

	General Capital Projects Fund	School Capital Projects Fund	Totals June 30, 2019
ASSETS			
Cash and cash equivalents	$ 132,335	$ -	$ 132,335
Restricted Cash	32,778	1,288,410	1,321,188
Due from other governments	1,313	-	1,313
Total assets	$ 166,426	$ 1,288,410	$ 1,454,836
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	$ 7,017	$ -	$ 7,017
Total liabilities	7,017	-	7,017
Fund balances:			
Restricted			
Stabilization by state statute	1,313	-	1,313
Capital projects	158,096	1,288,410	1,446,506
Unassigned	-	-	-
Total fund balances	159,409	1,288,410	1,447,819
Total liabilities, deferred inflows of resources, and fund balances	$ 166,426	$ 1,288,410	$ 1,454,836

Vance County, North Carolina
Non-major Governmental Funds: Capital Project Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2019

	General Capital Projects Fund	School Capital Projects Fund	Totals June 30, 2019
Revenues			
Restricted intergovernmental	$ -	$ 484,703	$ 484,703
Investment earnings	3,946	16,111	20,057
Other	-		-
Total	3,946	500,814	504,760
Expenditures			
Public safety	50,057	-	50,057
Education	32,995	-	32,995
Total	83,052	-	83,052
Excess (deficiency) of revenues over expenditures	(79,106)	500,814	421,708
Other financing sources (uses):			
Transfers in	-	2,289,165	2,289,165
Transfers out	(246,661)	(2,867,465)	(3,114,126)
Total other financing sources (uses)	(246,661)	(578,300)	(824,961)
Net change in fund balance	(325,767)	(77,486)	(403,253)
Fund balances, beginning	485,176	1,365,896	1,851,072
Fund balances, ending	$ 159,409	$ 1,288,410	$ 1,447,819

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)
For the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental-					
Grants and donations					
Farmers Market	$ 577,448	$ 610,514	$ -	$ 610,514	$ 33,066
Grants- VGCC Granville County	311,209	-	-	-	(311,209)
Investment earnings	-	2,099	10	2,109	2,109
Total revenues	888,657	612,613	10	612,623	(276,034)
Expenditures					
Economic & community development					
Famers market					
Administration	3,000	-	-	-	3,000
Contracted Services	71,417	7,119	-	7,119	64,298
Construction	29,754	644,381	-	644,381	(614,627)
Contingency	523,277	-	-	-	523,277
County Buildings					
Legal and fiscal-					
Debt issuance cost	65,555	52,111	-	52,111	13,444
Contracted Services	55,750	64,546	7,837	72,383	(16,633)
Construction	1,117,860	1,155,670	106,020	1,261,690	(143,830)
Contingency	58,835	-	-	-	58,835
Animal shelter					
Legal and fiscal-					
Debt issuance cost	45,000	39,301	-	39,301	5,699
Contracted Services	137,250	87,930	-	87,930	49,320
Construction	1,474,842	1,615,751	(63,800)	1,551,951	(77,109)
Contingency	62,908	62,908	-	62,908	-
Vance Granville Community College					
Administration	47,862	70,629	-	70,629	(22,767)
Contracted Services	42,180	90,665	-	90,665	(48,485)
Contingency	60,158	-	-	-	60,158
Construction	1,143,009	777,695	32,995	810,690	332,319
Debt Service					
Debt issuance costs	-	2,809	-	2,809	(2,809)
Total expenditures	4,938,657	4,671,515	83,052	4,754,567	184,090
Revenue over (under) expenditures	(4,050,000)	(4,058,902)	(83,042)	(4,141,944)	(91,944)
Other Financing Sources (Uses)					
Installment financing proceeds	3,983,000	4,019,000	-	4,019,000	36,000
Installment purchase obligations issued	-	40,138	-	40,138	40,138
Operating transfers in	67,000	129,928	-	129,928	62,928
Total other financing sources	4,050,000	4,189,066	-	4,189,066	139,066
Revenue and other sources over (under) expenditures	$ -	$ 130,164	(83,042)	$ 47,122	$ 47,122

Fund balance, beginning	130,164
Fund balance, ending	$ 47,122
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	$ 3,936
Transfers in	-
Transfers out	(246,661)
Fund balance , beginning, General Capital Reserve Fund	355,012
Fund balance, ending , consolidated General Capital Project Fund	$ 159,409

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 the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	$ 1,200	$ 3,936	$ 2,736
Total revenues	1,200	3,936	2,736
Expenditures			
Public Safety			
Operating Expenses	1,200	-	1,200
Total expenditures	1,200	-	1,200
Revenue over (under) expenditures	-	3,936	3,936
Other Financing Sources (Uses)			
Operating transfers out	(246,000)	(246,661)	661
Total other financing sources	-	(246,661)	246,661
Revenue and other sources over (under) expenditures	$ -	(242,725)	$ (242,725)
Fund balance, beginning		355,012	
Fund balance, ending		$ 112,287	

Vance County, North Carolina
Capital Projects Fund - School Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	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	1,030,180	1,770,132	-	1,770,132	739,952
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	2,820,715	-	2,820,715	161,780
NVHS Science Labs	545,850	507,520	-	507,520	38,330
Total	21,497,835	20,768,516	-	20,768,516	729,319
Total Expenditures	21,497,835	20,768,516	-	20,768,516	729,319
Revenue over (under) expenditures	(20,467,655)	(18,998,384)	-	(18,998,384)	1,469,271
Other Financing Sources (Uses)					
Installment purchase obligations	18,924,320	18,924,320	-	18,924,320	-
Operating transfers in	1,543,335	430,435	-	430,435	(1,112,900)
Total other financing sources	20,467,655	19,354,755	-	19,354,755	(1,112,900)
Revenue and other financing sources over (under) expenditures	$ -	$ 356,371	-	$ 356,371	$ 356,371

Fund balance, beginning	356,371
Fund balance, ending	$ 356,371
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	$ 16,111
Reimbursement	-
QSCB interest	99,927
Lottery proceeds	384,776
Transfers in	2,289,165
Transfers out	(2,867,465)
Fund balance , beginning, School Capital Reserve Fund	1,009,525
Fund balance, ending , consolidated School Capital Projects	$ 1,288,410

Vance County, North Carolina
Capital Projects Fund - School Capital Reserve
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted intergovernmental			
QSCB interest reimbursement	$ 106,532	$ 99,927	$ (6,605)
Lottery proceeds	394,955	384,776	(10,179)
Investment earnings	4,000	16,111	12,111
Total revenues	505,487	500,814	(4,673)
Expenditures			
Education			
Capital Outlay		-	-
Total	-	-	-
Total Expenditures	-	-	-
Revenue over (under) expenditures	505,487	500,814	(4,673)
Other Financing Sources (Uses)			
Operating transfers in	2,241,555	2,289,165	47,610
Operating transfers out	(2,877,888)	(2,867,465)	10,423
Fund balance appropriated	130,846	-	(130,846)
Total other financing sources	(505,487)	(578,300)	(72,813)
Revenue and other financing sources over (under) expenditures	$ -	(77,486)	$ (77,486)
Fund balance, beginning		1,009,525	
Fund balance, ending		$ 932,039	

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 Fiscal Year Ended June 30, 2019

	2019		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Charges for services			
Household fees	$ 2,145,500	$ 2,135,725	$ (9,775)
Warren County manned site	40,000	46,507	6,507
Other operating revenues	15,000	16,290	1,290
Total Operating Revenues	2,200,500	2,198,522	(1,978)
Nonoperating Revenues (Expenditures)			
Federal, state and local grants	133,500	21,954	(111,546)
Intergovernmental taxes and fees	102,250	80,964	(21,286)
Total Nonoperating revenues	235,750	102,918	(132,832)
Total Revenues	2,436,250	2,301,440	(134,810)
Operating Expenditures			
Landfill operations			
Salaries and employee benefits	74,654	75,559	(905)
Operating expenditures	2,418,008	2,048,127	369,881
Contracted services	211,600	170,090	41,510
Capital outlay	-	10,007	(10,007)
Total Operating Expenditures	2,704,262	2,303,783	400,479
Total Revenues over Expenditures	(268,012)	(2,343)	265,669
Other Financing Sources (uses):			
Transfers in	924	924	-
Fund Balance Appropriated	267,088	-	(267,088)
Total Other Financing Sources	268,012	924	(267,088)
Revenues and other sources over (under) expenditures	$ -	(1,419)	$ (1,419)
Reconciliation from budgetary basis (modified accrual) to full accrual basis			
Capital outlay		10,007	
Depreciation		(14,585)	
Increase (decrease) in deferred outflows of resources - pensions		5,117	
Increase (decrease) in deferred outflows of resources - OPEB		(50)	
(Increase) decrease in accrued compensated absences		(13)	
(Increase) decrease in net pension liability		(6,450)	
(Increase) decrease in OPEB liability		7,891	
(Increase) decrease in deferred inflows of resource - pensions		197	
(Increase) decrease in deferred inflows of resource - OPEB		(7,796)	
Decrease in accrued landfill closure costs		72,752	
Total reconciling items		67,070	
Change in net position		$ 65,651	

Vance County, North Carolina
Water District Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

	2019		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Charges for services			
Water sales and connection fees	$ 753,750	$ 1,190,383	$ 436,633
Debt setoff Revenue	5,000	6,746	1,746
Other operating Revenues	16,504	17,396	892
Total Operating Revenues	775,254	1,214,525	439,271
Nonoperating Revenues (Expenditures)			
Investment earnings	2,000	7,267	5,267
Total Nonoperating revenues	2,000	7,267	5,267
Total Revenues	777,254	1,221,792	444,538
Operating Expenditures			
Water Operations			
Purchased water	200,000	216,400	(16,400)
Operating expenditures	124,827	103,329	21,498
Contracted services	239,000	234,346	4,654
Total	563,827	554,075	9,752
Debt service			
Debt Principal	195,706	182,000	13,706
Interest and other charges	345,040	357,312	(12,272)
Total Debt service	540,746	539,312	1,434
Total Operating expenditures	1,104,573	1,093,387	11,186
Revenues over expenditures	(327,319)	128,405	455,724
Other financing sources (uses):			
Transfers in	380,384	346,784	(33,600)
Debt Service Reserve	(53,065)	-	53,065
Total Other financing sources	327,319	346,784	19,465
Revenues and other sources over (under) expenditures	$ -	475,189	$ 475,189
Reconciliation from budgetary basis (modified accrual) to full accrual basis			
Capital outlay		16,480	
Debt principal		182,000	
Amortization		-	
Depreciation		(270,720)	
Increase in accrued interest		451	
Water District Capital Project Fund			
Federal and state grants		627,301	
Interest earnings from project		1,031	
Transfers		1,057	
Total reconciling items		557,600	
Change in net position		$ 1,032,789	

Vance County, North Carolina
Water District Capital Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Completed Project	Actual Total To Date	Variance Positive (Negative)
Revenues						
Restricted intergovernmental	$ 1,000,000	$ -	$ 627,301	$ -	$ 627,301	$ (372,699)
Owner contributions	10,000	-	-	-	-	(10,000)
Investment Earnings	-	-	1,031	-	1,031	1,031
Total Revenues	1,010,000	-	628,332	-	628,332	(381,668)
Expenditures						
Phase 2b						
Construction	-	25,000	-	-	25,000	(25,000)
Phase 3						
Legal	10,000	-	3,097	-	3,097	6,903
Contracted Services	125,000	15,000	78,020	-	93,020	31,980
Contingency	71,400	-	-	-	-	71,400
Construction	1,005,600	-	867,141	(330,400)	536,741	468,859
Land Easement	10,000	51	11,500	-	11,551	(1,551)
Total Expenditures	1,222,000	40,051	959,758	(330,400)	669,409	552,591
Other Financing Sources (Uses)						
USDA Loan	212,000	-	212,000	-	212,000	-
Operating transfer in	-	10,000	1,057	-	11,057	11,057
Total Other Financing Sources	212,000	10,000	213,057	-	223,057	11,057
Revenues and other sources over (under) expenditures	$ -	$ (30,051)	$ (118,369)	$ 330,400	$ 181,980	$ 181,980

AGENCY FUNDS

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

Vance County, North Carolina
Agency Funds
Combining Statement of Fiduciary Assets and Liabilities
June 30, 2019

	Motor Vehicles Trust Fund	Social Services Trust Fund	Vance County Jail Inmate Trust Fund	Fines and Forfeitures Fund	Resister of Deeds Fund	Totals June 30, 2019
Assets						
Cash and cash equivalents	$ -	$ 87,595	$ 150,765	$ -	$ -	$ 238,360
Total assets	$ -	$ 87,595	$ 150,765	$ -	$ -	$ 238,360
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	$ -	$ 87,595	$ 150,765	$ -	$ -	$ 238,360
Total liabilities	$ -	$ 87,595	$ 150,765	$ -	$ -	$ 238,360

Vance County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
City Ad Valorem and Motor Vehicles Tax Fund				
Assets:				
Cash and cash equivalents	$ -	$ 6,768,476	$ 6,768,476	$ -
Liabilities				
Intergovernmental payable	$ -	$ 6,768,476	$ 6,768,476	$ -
Social Services Trust Fund				
Assets:				
Cash and cash equivalents	$ 106,912	$ 188,764	$ 208,081	$ 87,595
Liabilities:				
Accounts payable	$ 106,912	$ 188,764	$ 208,081	$ 87,595
Vance County Jail Inmate Trust Fund				
Assets:				
Cash and cash equivalents	$ 115,451	$ 164,005	$ 128,691	$ 150,765
Liabilities:				
Accounts payable	$ 115,451	$ 164,005	$ 128,691	$ 150,765
Fines and Forfeitures Fund				
Assets:				
Cash and cash equivalents	$ -	$ 317,006	$ 317,006	$ -
Liabilities:				
Intergovernmental payable	$ -	$ 317,006	$ 317,006	$ -
Register of Deeds Trust Fund				
Assets:				
Cash and cash equivalents	$ -	$ 4,415	$ 4,415	$ -
Liabilities:				
Intergovernmental payable	$ -	$ 4,415	$ 4,415	$ -
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	$ 222,363	$ 7,442,666	$ 7,426,669	$ 238,360
Total assets	$ 222,363	$ 7,442,666	$ 7,426,669	$ 238,360
Liabilities:				
Accounts payable	$ 222,363	$ 352,769	$ 336,772	$ 238,360
Intergovernmental payable	-	7,089,897	7,089,897	-
Total liabilities	$ 222,363	$ 7,442,666	$ 7,426,669	$ 238,360

OTHER SCHEDULES

This section includes additional information on property taxes.

Vance County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2019

Fiscal Year	Uncollected Balance June 30, 2018	Additions	Collections And Credits	Adjustments	Uncollected Balance June 30, 2019
2018-2019	$ -	$ 25,480,155	$ 24,755,585	$ -	$ 724,570
2017-2018	664,531	-	401,846	-	262,685
2016-2017	337,695	-	155,128	-	182,567
2015-2016	100,326	-	30,980	-	69,346
2014-2015	65,727	-	10,466	-	55,261
2013-2014	77,443	-	7,793	-	69,650
2012-2013	61,792	-	3,667	-	58,125
2011-2012	54,085	-	2,630	-	51,455
2010-2011	40,260	-	1,890	-	38,370
2009-2010	41,075	-	1,708	-	39,367
2008-2009	38,908	-	38,908		-
	$ 1,481,842	$ 25,480,155	$ 25,410,601	$ -	1,551,396

Less: allowance for uncollectible accounts:	
General Fund	331,319
Ad valorem taxes receivable - net:	
General Fund	$ 1,220,077

Reconcilement with revenues:

Ad valorem taxes - General Fund	$ 25,750,490
Reconciling items:	
Interest collected	(170,393)
Taxes Written Off	(38,908)
Adjustment	(130,588)
Total reconciling items	(339,889)
Total collections and credits	$ 25,410,601

Vance County, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2019

	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	$ 2,852,118,989	0.890	$ 25,383,859	$ 21,668,514	$ 3,715,345
Penalties			26,464	26,464	-
Total	2,852,118,989		25,410,323	21,694,978	3,715,345
Discoveries:					
Current year taxes	9,204,157	0.890	81,917	81,917	-
Prior years taxes			108,652	108,652	-
Total	9,204,157		190,569	190,569	-
Abatements/Releases:					
Current year	(13,052,921)	0.890	(116,171)	(116,171)	-
Prior Year			(4,566)	(4,566)	-
Total	(13,052,921)		(120,737)	(120,737)	-
Total Property Valuation	$ 2,848,270,225				
Net levy			25,480,155	21,764,810	3,715,345
Uncollected taxes at June 30, 2019 (County Only)			724,570	724,570	-
Current year's taxes collected (includes penalty)			$ 24,755,585	$ 21,040,240	$ 3,715,345
Current levy collection percentage			97.16%	96.67%	100.00%

Vance County, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2019

Secondary Market Disclosures:

Assessed Valuation:		
Assessment Ratio[1]		100%
Real Property	$	1,962,569,655
Personal Property		795,552,434
Public Service Companies[2]		90,148,136
Total Assessed Valuation	$	2,848,270,225
Tax Rate per $100		0.89
Levy (includes discoveries, releases and abatements)[3]	$	25,349,605
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:	$	1,052,035

[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 Fiscal Year Ended June 30, 2019

Taxpayer	Type of Business		2018 Assessed Valuation	Percentage of Total Assessed Valuation
I AMS Company	Manufacturing	$	70,634,631	2.48%
DLP Maria Parham Medical	Private Hospital		58,564,838	2.06%
Duke Energy Progress	Utility		56,986,180	2.00%
Ardagh Glass Inc.	Manufacturing		53,047,107	1.86%
Wal-Mart Stores East LP	Retail		25,890,467	0.91%
DLP Maria Parham Medical Center	Private Hospital		22,504,552	0.79%
Variety Wholesalers	Retail		19,796,118	0.70%
Carolina Sunrock LLC	Rock Quarry		19,242,029	0.68%
W&W Properties and Rentals LLC	Property Management		16,994,125	0.60%
Bullock Solar LLC	Solar Farm		13,724,579	0.48%
Total		$	357,384,626	12.55%

Vance County, North Carolina
Schedule of Cash and Investment Balances
For the Fiscal Year Ended June 30, 2019

	Carrying Value	Cost Value	Market Value
Cash			
On Hand	$ 950	$ 950.00	$ 950.00
In Time Deposit	1,011,414	1,011,414	1,011,414
In Demand Deposit	19,811,743	19,811,743	19,811,743
	20,824,107	20,824,107	20,824,107
Other Investments			
North Carolina Capital Management Trust	2,509,342	2,509,342	2,509,342
Total Cash and Investments	$ 23,333,449	$ 23,333,449	$ 23,333,449

Distribution by Funds

		Carrying Value
General Fund		
General Fund	$ 17,831,965	
Revaluation Fund	290,630	
Debt Service Fund	541	
LEOSSA and OPEB Pension Fund	307,002	
Facility Fees Fund	-	
		$ 18,430,138
Special Revenue Funds		
Emergency Telephone System Fund	147,334	
Fire District Fund	485,992	
Economic Development Fund	381,067	
		1,014,393
Capital Project Fund		
School Capital Outlay Fund	356,371	
School Capital Reserve Fund	932,039	
General Capital Projects Fund	52,826	
General Capital Reserve Fund	112,287	
		1,453,523
Enterprise Funds		
Solid Waste Fund	539,054	
Water Fund	1,657,981	
		2,197,035
Fiduciary Funds		
Agency Funds		
Vance County Jail Inmates Trust Funds	150,765	
Register of Deeds Trust Fund	-	
Social Services Fund	87,595	
		238,360
Total Cash and Investments		$ 23,333,449

COMPLIANCE SECTION

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CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND TAX ADVISORS

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
Henderson, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Vance County, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Vance County basic financial statements, and have issued our report thereon dated January 30, 2020.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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.

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 that we consider to be significant deficiencies. [2019-001].

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 response to the findings identified in our audit are described in the accompanying schedule of findings and responses. 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
January 30, 2020

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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
Henderson, 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, 2019. 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 the requirements 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.

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, 2019.

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 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 [2019-002, 2019-003, 2019-004, 2019-005] 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 accompanyincorrective 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 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, North Carolina
January 30, 2020

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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
Henderson, 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, 2019. 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.

Auditor's 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.

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, 2019.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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
January 30, 2020

VANCE COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

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	____no
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:

CFDA #	Program Name
93.658, 93.659	Foster Care and Adoption Assistance Cluster
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, 2019

State Awards

Internal control over major State programs:

• Material Weakness(es) identified?	___yes	_X_no
• Significant Deficiency(s) identified	___yes	_X_none reported

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

Identification of major State programs:

Program Name
Foster Care and Adoption Assistance Cluster
Medical Assistance Program
Building Reuse Grant
Public School Building Capital Fund - Lottery Proceeds

Section II. Financial Statement Findings

Finding: 2019-001

SIGNIFICANT DEFICENCY
Prior Period Adjustment

Criteria:	AU-C 260 requires communication of certain matters related to internal control over financial reporting.
Condition:	The County recorded a prior period adjustment to correct beginning balance for the LEOSSA Pension Fund.
Effect:	This is an indicator of a control deficiency that is regarded as a significant deficiency.
Cause:	Changes were made to the trial balance after the completion of the 17-18 audit that were not communicated to the auditor prior to the completion of the audit.
Recommendation:	The County should implement internal control procedures to ensure all adjusting entries are made before the audit is completed.
Views of responsible officials and planned corrective actions:	The County agrees with this finding and efforts will be made to ensure all entries are recorded before completion of the audit.

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: 2019-002

SIGNIFICANT DEFICENCY
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 thirteen errors discovered during our procedures that referrals between DSS and Child Support Agencies were not properly made. Four applicants received assistance although their Child Support cases were indicating non cooperation and no good cause established.
Questioned Costs:	The amounts paid out for the above in-eligible participants did not exceed the threshold for a questioned costs determination.

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

Context:	We examined 60 Medicaid applicants from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to the Medicaid administrative cost compliance audit.
Effect:	Four applicants received assistance for which they were not eligible.
Cause:	Error in reading the ACTS report, and ineffective case review process.
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 the 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. Supervisors will review action reports regularly to determine if corrective action was taken and that action was correctly closed out. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations.

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: 2019-003

SIGNIFICANT DEFICENCY
Eligibility

Criteria:	In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient met 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 control procedures in place to ensure an applicant is properly determined or redetermined for benefits.
Condition:	There were thirty-two errors discovered during our procedures that inaccurate information was entered when determining eligibility. Two applicants received asssitance from the wrong class of the program.
Questioned Costs:	The amounts paid out for the above in-eligible participants did not exceed the threshold for a questioned cost determination.
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 the Medicaid administrative cost compliance audit.

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

Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding. Supervisors will perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations.

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: 2019-004

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 were eight errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts, or files containing resources were not properly documented to be considered countable or non-countable.

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

Questioned Costs:	There was no affect to eligibility and there were no 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 which could affect countable resource. Therefore, applicants could have received assistance for which they were not eligible.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	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.

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: Foster Care and Adoption Assistance Cluster (Foster Care-Title IV-E, Adoption Assistance)
CFDA #: 93.658, 93.659

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: 2019-005

SIGNIFICANT DEFICENCY
Eligibility

Criteria:	In accordance with 2 CFR 200, management must design, implement, and maintain internal control relevant to the compliance of Federal and State grant requirements. In accordance with the Division of Social Service Fiscal Manual, entity is required to acquire written approval of the DHHS Office of Controller to expense or depreciate equipment with a single unit cost over $5,000.
Condition:	The County DSS received the reimbursement for the purchase of two vehicles without acquiring the DHHS written approval.
Questioned Costs:	There were no questioned costs.
Context:	We examined two months of DSS-1571 in detail and reviewed the other ten months. Determined that DSS expensed and received reimbursement for the purchase of vehicles with a single unit cost over $5,000 without DHHS approval.
Effect:	Funds were spent on unauthorized purchases.
Cause:	Ineffective internal control over DSS-1571 filing procedures.
Recommendation:	Files should be reviewed internally before submitting the DSS-1571 for reimbursement. Employees should be retrained on the regulations and the DSS Fiscal Manual that provided by the State.
Views of responsible officials and planned corrective actions:	The county agrees with this finding. Management will review files and ensure regulations and requirements are properly followed.

VANCE COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section IV. State Award Findings and Questioned Costs

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

SIGNIFICANT DEFICENCY: Finding 2019-002, 2019-003, 2019-004 also apply to State requirements and State Awards.

Program Name: Medical Assistance Program (Medicaid; Title XIX), Foster Care and Adoption Assistance Cluster (Foster Care-Title IV-E, Adoption Assistance)

CFDA # 93.778, 93.658, 93.659

SIGNIFICANT DEFICENCY: Finding 2019-005 also applies to State requirements and State Awards.

VANCE COUNTY, NORTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2019

Section II - Financial Statement Findings

Finding 2019-001

Name of contact person: Katherine Bigelow, Finance Director

Corrective Action: Responsible officials will review the financial statements and year-to-date reports to ensure that funds are correctly accounted for.

Proposed Completion Date: The Finance Director will implement the above procedure immediately.

Section III - Federal Award Findings and Question Costs

Finding 2019-002

Name of contact person: Goldie Davis, IM Program Manager

Corrective Action: Joint training for staff will be conducted by Family & Children Medicaid Supervisor and Child Support Services Supervisor reviewing policy on appropriate and inappropriate IV-D referrals. Training for staff will be conducted by Family & Children Supervisor on the proper method to read ACTS report in OVS and apply information found to applications being processed and certifications completed insuring accurate IV-D referrals are being made. Second party review of cases will continue to be completed for each caseworker monthly to insure IV-D referrals are being sent accurately and consistently.

Proposed Completion Date: Second party reviews have been established and personnel will be trained with scheduled completion date of February 14, 2020. Management will continue to monitor the progress of this issue and modify the controls as needed.

VANCE COUNTY, NORTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2019

Finding 2019-003

Name of contact person: Goldie Davis, IM Program Manager

Corrective Action: Procedures are being developed for caseworkers to follow. These procedures are the implementation of a Documentation Checklist template to follow addressing each area that should be documented in completing a recertification. This Documentation Checklist at completion of recertification will be uploaded into system as verification that all areas are addressed. Medicaid caseworkers will receive additional training on the newly created "Documentation Policy" and implementation of new Documentation Checklist template. Supervisors will continue to complete second party reviews to determine accuracy of evidence entered into system and to insure new Documentation Checklist is being utilized correctly. Second party review of cases will continue to be completed for each caseworker monthly to insure Documentation Template is being used accurately and consistently.

Proposed Completion Date: Second party reviews are currently being conducted. Management will continue to monitor the progress of this issue and modify controls as needed. Implementation of Documentation Template scheduled completion date is February 14, 2020.

VANCE COUNTY, NORTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2019

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

Finding 2019-004

Name of contact person: Goldie Davis, IM Program Manager

Corrective Action: Procedures are being developed for caseworkers to follow. These procedures are the implementation of a Documentation Checklist template to follow addressing each area that should be documented in completing a recertification. This Documentation Checklist at completion of recertification will be uploaded into system as verification that all areas are addressed. Medicaid caseworkers will receive additional training on the newly created "Documentation Policy" and implementation of new Documentation Checklist template. Supervisors will continue to complete second party reviews to determine accuracy of evidence entered into system and to insure new Documentation Checklist is being utilized correctly. Caseworkers will be retrained on what should be included in documentation notes and the importance of complete and accurate record keeping. Second party review of cases will continue to be completed for each caseworker monthly to insure Documentation Template is being used accurately and consistently.

Proposed Completion Date: Second party reviews are currently being conducted. Management will continue to monitor the progress of this issue and modify controls as needed. Implementation of Documentation Template scheduled completion date is February 14, 2020.

Finding 2019-005

Name of contact person: Linda Cobb, Business Officer

Corrective Action: Business Officer and/or Accounting Specialist will request approval from the State before making the purchase. Business Officer and/or Accounting Specialist will be sure that the completed file will consist of state approval, invoice(s) and state reimbursement (1571 report).

Proposed Completion Date: All noted errors will be corrected on the January 2020 1571 submitted in February 2020.

Section IV - State Award Findings and Question Costs

None Reported.

VANCE COUNTY, NORTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2019

Section II. Financial Statement Findings

None Reported.

Sections III. Federal Awards Findings and Questioned Costs

None Reported.

Section IV. State Award Findings and Questioned Costs

None Reported.

VANCE COUNY
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2019

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
Federal Awards:						
U. S. Department of Agriculture						
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		$ 635,304	$ -	$ -	$ 635,304
Water and Waste Disposal Systems for Rural Communities	10.760		627,301	-	-	-
Total U.S. Dept. of Agriculture			1,262,605	-	-	635,304
U.S. Dept. of Justice						
Edward Byrne Memorial Justice Assistance Grant Program	16.738		9,467	-	-	
Total of U.S Department of Justice			9,467	-	-	-
U.S. Department of Homeland Security						
Passed -through N.C. Department of Public Safety						
Division of Emergency Management						
Emergency Management Performance Grant	97.042		38,524	-	-	-
Total U.S. Department of Homeland Security			38,524	-	-	-
U.S. Dept. of Health and Human Services						
Passed-through Kerr-Tar Regional Council of Governments						
Division of Aging and Adult Services:						
Aging Cluster:						
Special Programs for the Aging Title IIIB						
Grants for Supportive Services and Senior Centers	93.044		161,786	9,517	-	-
Special Programs for the Aging - Title III C						
Nutrition Services	93.045		72,854	4,285	-	-
Nutrition Services Incentive Program	93.053		13,067	-	-	-
Total Aging Cluster			247,707	13,802	-	-
Family Caregiver Support	93.052		2,058	137	-	-
Division of Social Services:						
Temporary Assistance for Needy Families (TANF) Cluster						
TANF-Work First	93.558		574,106	-	-	604,323
Total TANF Cluster			574,106	-	-	604,323
AFDC Payments & Penalties	93.560		(155)	(42)	-	(42)
Foster Care and Adoption Cluster						
Foster Care - Title IV-E	93.658		445,184	71,372	-	304,293
Adoption Assistance	93.659		1,100	-	-	1,100
Foster Care	N/A		42,870	-	-	
Total Foster Care and Adoption Cluster			489,154	71,372	-	305,393
Child Support Enforcement	93.563		568,160			292,689
Low Income Energy Assistance						
Administration	93.568		50,015	-	-	-
Energy Assistance Payments -Direct Benefit Payments	93.568		494,887	-	-	-
Crisis Intervention Program	93.568		344,071	-	-	-
Total Low-Income Home Energy Assistance			888,973	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program						
Permanency Planning - Families for Kids	93.645		11,624	-	-	3,875
Chafee Foster Care Independence Program	93.674		11,257	1,741	-	-

VANCE COUNY
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2019

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
SSBG - Other Service and Training	93.667		292,290	-	-	97,430
Division of Aging and Adult Services:						
Division of Social Services:						
SSBG - State In-Home Services	93.667		60,705	-	-	8,808
Pass-through Kerr Tar Regional Council of Government :						
Social Service Block Grant (SSBG) - In Home Services	93.667		11,470	328	-	-
Total Social Service Block Grant			364,465	328	-	106,238
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		84,811	-	-	-
Total Subsidized Child Care Cluster (Note 4)			84,811	-	-	-
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	1,267,252	998	-	458,802
Total Medical Assistance Program			1,267,252	998	-	458,802
Division of Social Services						
Administration						
State Children's Insurance Program - N.C. Health Choice	93.767		28,371	-	-	-
Total U.S. Dept. of Health and Human Services			4,537,783	88,336	-	1,771,278
Total Federal Awards			5,848,379	88,336	-	2,406,582
State Awards:						
N.C. Department of Administration						
Veterans Service			-	2,216	-	-
Total N. C. Department of Administration			-	2,216	-	-
N.C. Dept. of Health and Human Services						
Division of Social Services:						
Non Allocating County Cost			-	-	-	100,420
County Fund Programs			-	-	-	656,088
St Child Welfare/CPS/CS			-	90,818	-	-
DCD Smart Start			-	31,381	-	-
Energy Assist Private			-	8,253	-	-
AFDC Incentive Program Integrity			-	771	-	-
Extended FC/MAX Non IV-E			-	20,686	-	-
SFHF Maximization			-	7,773	-	7,773
State Foster Home			-	22,535	-	22,535
Total Division of Social Services			-	182,217	-	786,816
Division of Aging and Adult Services						
HCCBG-Access			-	18,173	-	-
HCCBG-Home Delivery Meals			-	24,609	-	-
HCCBG-In-Home Support Services			-	104,593	-	-
Total Division of Aging and Adult Services			-	147,375	-	-
Total N.C. Dept. of Health and Human Services			-	329,592	-	786,816
N.C. Dept. of Transportation						
ROAP Rural General Public Program		36228.22.8.1	-	77,631	-	-
ROAP Elderly and Disabled Transportation Assistance Program		36220.10.8.1	-	43,339	-	-
ROAP Work First Transitional - Employment		36236.11.7.1	-	13,071	-	-
Total of N.C. Dept. of Transportation			-	134,041	-	-

VANCE COUNY
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2019

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
N.C. Dept. of Environmental Quality						
Division of Waste Management						
Scrap Tire Fund SWMGT			-	22,197	-	-
Electronics Management			-	2,818	-	-
Total of N.C. Dept. of Environmental Quality			-	25,015	-	-
N.C. Department of Public Safety						
Juvenile Crime Prevention Commission Programs						
JCPC Admin			-	6,632	-	-
Henderson-Vance Recreation Services			-	82,120	82,120	71,158
Teen Court			-	29,079	29,079	33,470
Boys and Girls Club			-	30,000	30,000	3,000
Youth Villages			-	16,007	16,007	1,601
Total of N.C. Dept. of Public Safety			-	163,838	157,206	109,229
N.C. Department of Insurance						
SHIIP Grant			-	4,446	-	-
Total of N.C. Department of Insurance			-	4,446	-	-
N.C. Department of Commerce						
Building Reuse Grant			-	129,658	-	-
NC Ready Sites Grant			-	63,545	-	-
Total of N.C. Department of Commerce			-	193,203	-	-
N.C. Department of Public Instruction						
Public School Building Capital Fund-Lottery Proceeds			-	384,776	-	-
Total N.C. Department of Public Instruction			-	384,776	-	-
Total State Awards			-	1,237,127	157,206	896,045
Total Federal and State Awards			$ 5,848,379	$ 1,325,463	$ 157,206	$ 3,302,627

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 Carolina County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2019. 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

VANCE COUNY
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2019

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures

Note 5: Benefit Payments Issued by the State

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

Program Title	CFDA No.	Federal	State
Supplemental Nutrition Assistance	10.561	$ 16,894,868	$ -
Special Supplemental Nutrition Program	10.557	1,127,896	-
Family Preservation	93.556	19,031	-
Temporary Assistance for Needy	93.558	441,791	-
Adoption Assistance	93.659	135,747	33,330
Medical Assistance Program	93.778	75,809,194	39,545,898
Children's Health Insurance Program	93.767	1,558,775	-
Child Welfare Services Adoption		-	120,810
SAA/SAD HB 1030		-	13,940
SC/SA Domiciliary Care			332,069