

**Vance County**  
Henderson, North Carolina  
**Financial Statements**  
June 30, 2022

VANCE COUNTY, NORTH CAROLINA  
**BOARD AND OFFICERS**  
June 30, 2022

**BOARD OF COUNTY COMMISSIONERS**

Yolanda J. Feimster, Chair  
Dan Brummitt, Vice-Chairman  
Sean A. Alston, Sr  
Carolyn Faines  
Thomas S. Hester, Jr.  
Leo Kelly, Jr.  
Archie B. Taylor, Jr.

**OFFICERS**

County Manager  
Finance Director

Jordan McMillen  
Katherine Bigelow

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Gregory S. Adams, CPA**

## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Vance County, North Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements which collectively comprise Vance County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Vance County, North Carolina as of June 30, 2022, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Vance County ABC Board, which reflect 61.88 percent of the assets, 55.79 percent of the net position, and 90.09 percent of the revenues of the aggregate discretely presented component units as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Vance County ABC Board is based solely on the report of the other auditors.

#### **Basis for Opinions**

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

### ***Responsibilities of Management for the Audit of the Financial Statements***

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

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

### ***Auditors' Responsibility for the Audit of the Financial Statements***

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

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

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Vance County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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



## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance, the other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions on pages 4 through 10 and 77 through 85, 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 basic financial statements of Vance County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules, as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2022, on our consideration of the Vance County'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 Vance County's internal control over financial reporting and compliance.

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

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
December 30, 2022

VANCE COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**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, 2022. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

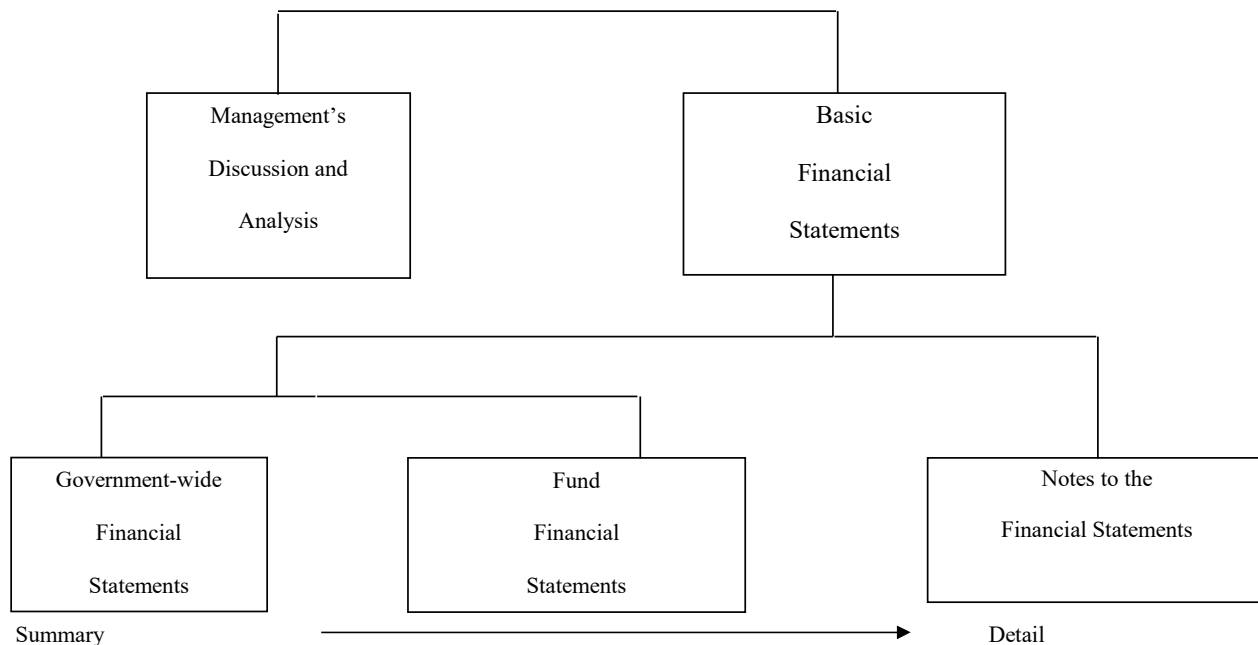
**Financial Highlights**

- The 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 \$24,771,316 (*net position*). Unrestricted net position is \$3,142,460.
- The government's total net position increased by \$8,317,988, primarily due to increases in the net position of the Governmental Funds. There were also prior period adjustments recorded which increased beginning net position in the governmental activities and business-type activities of \$985,980 and \$31,534, respectively.
- As of the close of the current fiscal year, Vance County's governmental funds reported combined ending fund balances of \$43,144,977, an increase of \$7,652,486 in comparison with the prior year. Approximately 26.60 percent of this total amount, or \$11,478,378 is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$20,114,428 or 36.90 percent of total general fund expenditures for the fiscal year.

**Overview of the Financial Statements**

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

**Required Components of Annual Financial Report**  
**Figure 1**



# VANCE COUNTY, NORTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS

## Basic Financial Statements

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

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

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

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

## Government-wide Financial Statements

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

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

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

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

## Fund Financial Statements

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

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

VANCE COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

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

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

#### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The liabilities and deferred inflows of resources of Vance County's primary government exceeded its liabilities by \$24,771,316 as of June 30, 2022. The County's net position increased by \$8,317,988 for the fiscal year ended June 30, 2022. The County also recorded prior period adjustments that increased beginning net position by \$1,017,514. One of the largest portions, \$10,150,478 (40.98%) 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 \$11,478,378 (46.34%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,142,460 (12.69%) is unrestricted.

#### Vance County's Net Position

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and Other assets	\$ 55,084,375	\$ 42,269,611	\$ 2,282,718	\$ 2,121,703	\$ 57,367,093	\$ 44,391,314
Capital Assets	26,302,171	22,973,597	15,453,816	15,841,126	41,755,987	38,814,723
Net Pension Assets	53,589	76,489	-	-	53,589	76,489
Total Assets	81,440,135	65,319,697	17,736,534	17,962,829	99,176,669	83,282,526
Total deferred outflows of resource	8,446,882	8,585,520	20,781	29,167	8,467,663	8,614,687
Long-term liabilities	22,816,533	19,769,784	11,040,406	11,257,315	33,856,939	31,027,099
Other liabilities	36,813,828	36,160,782	1,277,943	1,404,154	38,091,771	37,564,936
Total Liabilities	59,630,361	55,930,566	12,318,349	12,661,469	71,948,710	68,592,035
Total deferred inflows of resource	10,902,672	7,841,242	21,634	28,119	10,924,306	7,869,361
Net Position						
Net investment in capital assets	5,736,289	5,846,296	4,414,189	4,583,811	10,150,478	10,430,107
Restricted	11,478,378	7,665,467	-	-	11,478,378	7,665,467
Unrestricted	2,139,317	(3,378,354)	1,003,143	718,594	3,142,460	(2,659,760)
Total Net Position	\$ 19,353,984	\$ 10,133,409	\$ 5,417,332	\$ 5,302,405	\$ 24,771,316	\$ 15,435,814

VANCE COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

**Vance County's Changes in Net Position**

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 4,664,190	\$ 3,911,544	\$ 3,691,067	\$ 3,608,599	\$ 8,355,257	\$ 7,520,143
Operating grants and contributi	9,660,425	11,371,906	140,331	109,196	9,800,756	11,481,102
Capital grants and contribution:	471,259	385,026	-	75,108	471,259	460,134
General revenues:					-	-
Property taxes	27,697,739	27,295,262	-	-	27,697,739	27,295,262
Other taxes	13,241,571	12,829,373	-	-	13,241,571	12,829,373
Grants and contributions not restricted to specific programs	478,490	508,796	-	-	478,490	508,796
Other	212,056	291,987	100,788	112	312,844	292,099
Total revenues	<u>56,425,730</u>	<u>56,593,894</u>	<u>3,932,186</u>	<u>3,793,015</u>	<u>60,357,916</u>	<u>60,386,909</u>
Expenses:						
General government	5,234,125	4,703,801	-	-	5,234,125	4,703,801
Public safety	17,397,958	18,195,030	-	-	17,397,958	18,195,030
Transportation	29,055	51,882	-	-	29,055	51,882
Environmental protection	-	18,900	-	-	-	18,900
Economic and physical development	1,118,403	2,583,267	-	-	1,118,403	2,583,267
Human service	11,845,370	11,453,393	-	-	11,845,370	11,453,393
Cultural and recreation	1,952,138	1,987,261	-	-	1,952,138	1,987,261
Education	10,298,358	10,248,354	-	-	10,298,358	10,248,354
Interest on long-term debt	315,728	364,100	-	-	315,728	364,100
Solid waste management	-	-	2,441,358	2,519,251	2,441,358	2,519,251
Water	-	-	1,407,435	1,349,043	1,407,435	1,349,043
Total expenses	<u>48,191,135</u>	<u>49,605,988</u>	<u>3,848,793</u>	<u>3,868,294</u>	<u>52,039,928</u>	<u>53,474,282</u>
Increase (decrease) in net position before transfers and special items	8,234,595	6,987,906	83,393	(75,279)	8,317,988	6,912,627
Transfers and special items	-	-	-	-	-	-
Increase (Decrease) in net position after transfers and special items	8,234,595	6,987,906	83,393	(75,279)	8,317,988	6,912,627
Net position, beginning	10,133,409	6,987,906	5,302,405	5,377,684	15,435,814	12,365,590
Net position, beginning (restated)	11,119,389	3,145,503	5,333,939	5,377,684	16,453,328	8,523,187
Net position, ending	<u>\$ 19,353,984</u>	<u>\$ 10,133,409</u>	<u>\$ 5,417,332</u>	<u>\$ 5,302,405</u>	<u>\$ 24,771,316</u>	<u>\$ 15,435,814</u>

VANCE COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Governmental activities.** Governmental activities increased the County's net position by \$8,234,595. Key elements of this increase are as follows:

- Increase in property taxes, other taxes, and charges for services.
- Decreased expenditures in Public Safety, Transportation, Environmental Protection, Economic Development, and Cultural and recreational.

**Business-type activities:** The net position of business-type activities increased by \$83,393. Key elements of this increase are as follows:

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

#### 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 \$23,102,453 while total fund balance reached \$27,523,598. The County currently has an available fund balance of 42.38% of general fund expenditures, while total fund balance represents 50.49% of that same amount.

At June 30, 2022, the governmental funds of Vance County reported a combined fund balance of \$43,144,977, a 22.18 % increase over last year.

**General Fund Budgetary Highlights:** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$7,217,839 for the fiscal year ending June 30, 2022.

**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 \$676,785, and for the Water Fund equaled \$4,740,547. The change in net position for the Solid Waste Fund was \$238,529 while the change in net position for the Water Fund was (\$155,136). 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, 2022, totals \$41,755,988 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, vehicles and construction in progress.

Major capital asset transactions during the year include:

- Purchased a number of new vehicles for public safety and DSS.
- Various other building improvements.
- Voting Machines for elections, various other equipment for Sheriff's department

#### Vance County's Capital Assets

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 2,403,383	\$ 2,403,383	\$ 899,343	\$ 899,343	\$ 3,302,726	\$ 3,302,726
Building & Improvements	10,673,492	11,339,550	378,346	409,006	11,051,838	11,748,556
Equipment & Vehicles	2,940,852	2,847,122	51,243	60,813	2,992,095	2,907,935
Computer Software	66,970	120,391	-	-	66,970	120,391
Water Distribution system	-	-	14,055,245	14,471,964	14,055,245	14,471,964
Construction in Progress	10,217,474	6,263,151	69,640	-	10,287,114	6,263,151
Total	<u>\$ 26,302,171</u>	<u>\$ 22,973,597</u>	<u>\$ 15,453,817</u>	<u>\$ 15,841,126</u>	<u>\$ 41,755,988</u>	<u>\$ 38,814,723</u>

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

VANCE COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Long-term Debt.** As of June 30, 2022, Vance County had total long-term debt obligations of \$33,856,160 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	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ -	\$ -	\$ 10,848,000	\$ 11,052,000	\$ 10,848,000	\$ 11,052,000
Lease Liabilities	94,006	-	779	-	94,785	-
Direct Placement Installment Purchases	22,722,527	19,769,784	-	-	22,722,527	19,769,784
Direct Borrowing Installment Purchases	-	-	191,627	205,315	191,627	205,315
Total	<u>\$ 22,816,533</u>	<u>\$ 19,769,784</u>	<u>\$ 11,040,406</u>	<u>\$ 11,257,315</u>	<u>\$ 33,856,939</u>	<u>\$ 30,821,784</u>

Vance County's total debt increased by \$3,034,376 during the past fiscal year primarily due to the new issuance for school projects of \$5.1 million.

As mentioned in the financial highlights section of this document, Vance County has been upgraded to an AA- bond rating from Moody's Investor Service as well as an A+ 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 \$208,607,295.

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

**Economic Factors and Next Year's Budgets and Rates**

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

- The local economy continues to recover from the latest recession although at a slower rate than other areas of North Carolina. Unemployment rates have continued to decline or hold steady most months. As of June 2021, the unemployment rate was 6.70 % compared to 8.10 % for the same period in the prior year.
- Vance County has two industrial parks with remaining capacity to attract new industry, including the expansion of the Henderson-Vance Industrial Park. The county is currently partnered with HVIP in constructing a shell building.
- As of January 1, 2022 the sales assessment ratio of real property was 78.8. This follows a revaluation of all real property in the county in 2016, the County is currently undergoing the 2024 Revaluation Process.
- Sales tax distributions, which are a major source of revenue for the county increased by 1% over the prior fiscal year. Overall, sales tax revenues have increased by 24% from fiscal year 2012-13 to fiscal year 2021-2022.

**Budget Highlights for the Fiscal Year Ending June 30, 2023**

Governmental Activities: The ad valorem tax rate remains at 89.0 cents per \$100.00. Ad valorem tax revenues are expected to increase modestly over the prior fiscal year. The fire tax rate remains the same at 8.9 cents per \$100.00 and since fiscal year 2021 has provided additional funding for volunteer departments to staff two part-time positions to assist with response times. Sales tax collections are projected to increase by only 1%. ABC revenue distributions to the county from the local ABC Board are expected to remain the same. The County continues to appropriate fund balance on an annual basis to be used for critical building maintenance and other one-time capital outlay needs during the fiscal year. These expenditures have been covered by recurring revenues in recent years and fund balance. Remaining revenue sources are projected to remain fairly constant compared to prior year amounts. The County expects to be able to provide services at the same level as the prior year.

Budgeted expenditures in the General Fund are expected to increase by approximately 6% to \$54,976,166 from the original fiscal year 2021-2022 budget. The overall increase is related to a few large items in the budget. This included a salary study across the entire county for all departments. The budget addresses board goals for the coming year through providing full year funding for a 24/72 schedule and a community paramedic position in EMS and through reserving necessary funds in the economic development fund to construct a shell building which will contribute to future jobs and investment in the county and the addition of a new EMS shift which added 9 new positions. This will help our EMS feel more rested and able to serve the citizens better.

VANCE COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Business-type Activities:** The solid waste user household fee will remain at \$120 per household. The solid waste budget is increasing due to contractual CPI adjustments, increased trash disposal amounts and increasing costs related to managing the solid waste sites and transporting waste. Another major impact is the increasing cost to dispose tires coupled with a significant reduction in state grant money to offset the cost. The Water Fund is expected to remain relatively level with no increase in the water usage rate for customers.

**Requests for Information**

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



## **BASIC FINANCIAL STATEMENTS**

**Vance County, North Carolina**  
**Statement of Net Position**  
**June 30, 2022**

	Primary Government			Component Units	
	Governmental Activities	Business Type Activities	Total Primary Government	Vance ABC Board	Vance Tourism Development Authority
<b>ASSETS</b>					
Cash and cash equivalents	\$ 30,199,156	\$ 1,313,421	\$ 31,512,577	\$ 1,632,512	\$ 1,122,885
Receivables (net):					
Property Taxes	1,126,817	-	1,126,817	-	-
Accounts	683,022	404,601	1,087,623	-	51,399
Notes	300	-	300	-	-
Leases	427,221	-	427,221	-	-
Interest	105,609	-	105,609	-	-
Inventories	-	-	-	394,146	-
Due from other governments	3,942,878	79,174	4,022,052	-	-
Prepaid items	-	-	-	7,484	-
Cash and cash equivalents - Restricted	18,504,807	484,744	18,989,551	-	-
Net Pension Asset	53,589	-	53,589	-	-
Capital assets:					
Land, improvements, and construction in process	12,620,857	968,984	13,589,841	192,898	461,267
Other capital assets, net of depreciation	13,681,314	14,484,832	28,166,146	427,844	-
Total Capital assets	26,302,171	15,453,816	41,755,987	620,742	461,267
Right to use capital assets, net	94,565	778	95,343	-	-
Total assets	81,440,135	17,736,534	99,176,669	2,654,884	1,635,551
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension deferrals	4,604,618	-	4,604,618	137,899	29,525
OPEB deferrals	3,842,264	20,781	3,863,045	67,339	12,827
Total deferred outflows of resources	8,446,882	20,781	8,467,663	205,238	42,352
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	1,285,445	287,394	1,572,839	386,371	2,795
Accrued Expense	-	-	-	12,948	-
Unspent Grant Proceeds	8,650,402	-	8,650,402	-	-
Accrued interest	203,189	30,297	233,486	-	-
Due to other governments	132,686	-	132,686	-	-
Customer deposits	-	61,823	61,823	-	-
Long-term liabilities:					
Due within one year					
Long-term debt	2,473,142	224,467	2,697,609	-	-
Due in more than one year					
Accrued post closure liability	-	807,684	807,684	-	-
Long-term debt	20,343,391	10,815,939	31,159,330	-	-
Compensated absences	1,134,119	-	1,134,119	41,833	17,321
Net Pension Liability- LGERS	2,793,108	11,686	2,804,794	55,516	19,213
Total Pension Liability- LEOSA	1,326,589	-	1,326,589	-	-
Total OPEB Liability	21,288,290	79,059	21,367,349	364,491	80,212
Total liabilities	59,630,361	12,318,349	71,948,710	861,159	119,541
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Prepaid taxes	116,353	-	116,353	-	-
Note receivable	300	-	300	-	-
Pension deferrals	4,533,427	21,634	4,555,061	79,316	30,174
OPEB deferrals	5,825,371	-	5,825,371	17,974	21,511
Leases	427,221	-	427,221	-	-
Total deferred outflows of resources	10,902,672	21,634	10,924,306	97,290	51,685
<b>NET POSITION</b>					
Net investment in capital assets	5,736,289	4,414,189	10,150,478	620,742	461,267
Restricted:					
Stabilization by State Statute	4,663,446	-	4,663,446	-	51,399
General Government	370,190	-	370,190	-	-
Human Services	127,724	-	127,724	-	-
Education	4,214,549	-	4,214,549	-	-
Economic Development	1,180,240	-	1,180,240	-	-
Public Safety	922,229	-	922,229	-	-
Working Capital	-	-	-	175,073	-
Unrestricted	2,139,317	1,003,143	3,142,460	1,105,858	994,011
Total net position	\$ 19,353,984	\$ 5,417,332	\$ 24,771,316	\$ 1,901,673	\$ 1,506,677

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

**Vance County, North Carolina**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Vance ABC Board	Vance Tourism Development Authority	
					Governmental Activities	Business-type Activities			
<b>Functions/Programs</b>							Total		
<b>Primary government:</b>									
Government activities:									
General government	\$ 5,234,125	\$ 1,070,236	\$ 233,478	\$ -	\$ (3,930,411)	\$ -	\$ (3,930,411)	\$ -	\$ -
Public safety	17,397,958	3,460,412	840,754	-	(13,096,792)	-	(13,096,792)	-	-
Economic and physical development	1,118,403	40,906	590,796	-	(486,701)	-	(486,701)	-	-
Environmental Protection	-	27,027	-	-	27,027	-	27,027	-	-
Transportation	29,055	-	-	-	(29,055)	-	(29,055)	-	-
Human services	11,845,370	4,746	7,033,113	8,500	(4,799,011)	-	(4,799,011)	-	-
Cultural and recreational	1,952,138	60,863	891,356	-	(999,919)	-	(999,919)	-	-
Education	10,298,358	-	70,928	462,759	(9,764,671)	-	(9,764,671)	-	-
Interest on debt	315,728	-	-	-	(315,728)	-	(315,728)	-	-
Total governmental activities	48,191,135	4,664,190	9,660,425	471,259	(33,395,261)	-	(33,395,261)	-	-
Business-type activities:									
Water	1,407,435	1,251,511	-	-	-	(155,924)	(155,924)	-	-
Landfill	2,441,358	2,439,556	140,331	-	-	138,529	138,529	-	-
Total business-type activities	3,848,793	3,691,067	140,331	-	-	(17,395)	(17,395)	-	-
Total primary government	\$ 52,039,928	\$ 8,355,257	\$ 9,800,756	\$ 471,259	(33,395,261)	(17,395)	(33,412,656)	-	-
<b>Component units:</b>									
Vance ABC Board	\$ 4,366,758	\$ 4,551,900	\$ -	\$ -	-	-	-	185,142	-
Vance County TDA	321,167	-	-	-	-	-	-	-	(321,167)
Total component units	\$ 4,687,925	\$ 4,551,900	\$ -	\$ -	-	-	-	185,142	(321,167)
<b>General Revenues:</b>									
Taxes:									
Ad valorem taxes					27,697,739	-	27,697,739	-	-
Local option sales tax					13,167,012	-	13,167,012	-	-
Other taxes					74,559	-	74,559	-	487,107
Unrestricted intergovernmental					478,490	-	478,490	-	-
Investment income					26,071	788	26,859	-	191
Miscellaneous					185,985	100,000	285,985	-	13,161
Transfers					-	-	-	-	-
Total general revenues and transfers					41,629,856	100,788	41,730,644	-	500,459
Change in net position					8,234,595	83,393	8,317,988	185,142	179,292
Net position - beginning, as previously reported					10,133,409	5,302,405	15,435,814	1,716,531	1,288,565
Prior Period Adjustment (see Note 8)					985,980	31,534	1,017,514	-	38,820
Net position - beginning, as restated					11,119,389	5,333,939	16,453,328	1,716,531	1,327,385
Net position - ending					\$ 19,353,984	\$ 5,417,332	\$ 24,771,316	\$ 1,901,673	\$ 1,506,677

**Vance County, North Carolina**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2022**

	Major		Non-Major	Total
	General	Capital Project Fund	Other Governmental Funds	Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 24,093,005	\$ 3,829,336	\$ 2,276,815	\$ 30,199,156
Restricted cash	402,170	13,755,402	4,347,235	18,504,807
Receivables (net):				
Taxes	1,056,847	-	69,970	1,126,817
Accounts	603,122	32,782	47,118	683,022
Lease receivables	427,221	-	-	427,221
Due from other governments	3,780,777	86,796	75,305	3,942,878
Due from other funds	37,246	-	-	37,246
Note receivable	-	-	300	300
Prepaid expenses	-	-	-	-
Total assets	<u>\$ 30,400,388</u>	<u>\$ 17,704,316</u>	<u>\$ 6,816,743</u>	<u>\$ 54,921,447</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,239,123	\$ -	\$ 46,322	\$ 1,285,445
Unspent Grant Proceeds	-	8,650,402	-	8,650,402
Due to other funds	37,246	-	-	37,246
Total liabilities	<u>1,276,369</u>	<u>8,650,402</u>	<u>179,008</u>	<u>10,105,779</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Prepaid Taxes	116,353	-	-	116,353
Taxes receivable	1,056,847	-	69,970	1,126,817
Note receivable	-	-	300	300
Lease receivable	427,221	-	-	427,221
Total deferred inflows of resources	<u>1,600,421</u>	<u>-</u>	<u>70,270</u>	<u>1,670,691</u>
Fund balances:				
Restricted				
Stabilization by State Statute	4,421,145	119,578	122,723	4,663,446
Capital Projects - Schools	-	-	4,214,549	4,214,549
Human Services	-	-	127,724	127,724
Public Safety	-	-	922,229	922,229
Tax revaluation	370,190	-	-	370,190
Community Development	-	-	1,180,240	1,180,240
Committed				
LEOSSA Pension and OPEB benefits	312,090	-	-	312,090
Facility Improvements	-	8,934,336	-	8,934,336
Animal Shelter	31,980	-	-	31,980
Future healthcare benefits	617,868	-	-	617,868
Assigned				
Subsequent year's expenditures	1,655,897	-	-	1,655,897
Unassigned	20,114,428	-	-	20,114,428
Total fund balances	<u>27,523,598</u>	<u>9,053,914</u>	<u>6,567,465</u>	<u>43,144,977</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 30,400,388</u>	<u>\$ 17,704,316</u>	<u>\$ 6,816,743</u>	<u>\$ 54,921,447</u>

**VANCE COUNTY, NORTH CAROLINA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE**  
**SHEET TO THE STATEMENT OF NET POSITION**  
**June 30, 2022**

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

Total fund balance - governmental funds	\$ 43,144,977
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	48,520,485
Less accumulated depreciation	(22,218,314)
Net capital assets	26,302,171
Right to use leased asset are not financial resources and, therefore, are not reported in the funds.	147,471
Less accumulated amortization	(52,906)
Right to use, net of amortization	94,565
Net pension asset (Register of Deeds)	53,589
Deferred outflows of resources:	
Contributions to the pension plan in the current fiscal year	
LGERS	1,607,806
Register of Deeds	3,584
OPEB contributions in the current year	368,611
Benefit payment and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	9,485
Pension related deferrals	
LGERS	2,654,433
ROD	16,288
LEOSSA	313,022
OPEB related deferrals	3,473,653
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	105,609
Deferred inflows of resources reported in the government-wide statements but not in the fund statements:	
Deferred inflows of resources for taxes receivable	1,126,817
Pension related deferrals	
LGERS	(4,355,903)
ROD	(4,444)
LEOSSA	(173,080)
OPEB related deferrals	(5,825,371)
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	(22,816,533)
Compensated absences	(1,134,119)
Total OPEB Liability	(21,288,290)
Total pension liability - LEOSSA	(1,326,589)
Net pension liability - LGERS	(2,793,108)
Accrued interest payable	(203,189)
Total adjustment	(23,790,993)
Net position of governmental activities	\$ 19,353,984

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**  
**Governmental Funds**  
**For the Year Ended June 30, 2022**

	Governmental Fund Types			Total
	Major		Non-Major	
	General Fund	Capital Project Fund	Other Governmental Funds	
<b>Revenues</b>				
Ad valorem taxes	\$ 26,081,016	\$ -	\$ 1,756,232	\$ 27,837,248
Local option sales taxes	13,167,012	-	-	13,167,012
Other taxes and licenses	74,559	-	-	74,559
Unrestricted intergovernmental	478,490	-	-	478,490
Restricted intergovernmental	9,559,143	-	1,163,484	10,722,627
Sales and services	4,073,247	-	-	4,073,247
Investment earnings	23,266	701	2,104	26,071
Miscellaneous	185,985	-	-	185,985
Total revenues	53,642,718	701	2,921,820	56,565,239
<b>Expenditures</b>				
Current:				
General government	4,747,629	-	233,478	4,981,107
Public safety	15,559,664	3,976,591	1,572,163	21,108,418
Transportation	28,750	-	-	28,750
Environmental protection	-	-	-	-
Economic and physical development	1,100,893	-	25,220	1,126,113
Human services	11,921,646	-	114,371	12,036,017
Cultural and recreational	1,974,098	-	-	1,974,098
Education	10,298,358	-	-	10,298,358
Debt service:				
Principal retirement	2,205,722	-	-	2,205,722
Interest and fees	313,665	-	-	313,665
Total expenditures	48,150,425	3,976,591	1,945,232	54,072,248
Revenues over (under) expenditures	5,492,293	(3,975,890)	976,588	2,492,991
Other financing sources (uses):				
Transfers in	760,900	5,250,000	3,045,447	9,056,347
Transfers out	(6,514,696)	-	(2,541,651)	(9,056,347)
Proceeds from issuance of debt	-	5,105,000	-	5,105,000
Proceeds from lease obligations	147,471	-	-	147,471
Contingency	(98,557)	-	-	(98,557)
Sale of fixed assets	5,581	-	-	5,581
Total other financing sources (uses)	(5,699,301)	10,355,000	503,796	5,159,495
Net Change in Fund Balance	(207,008)	6,379,110	1,480,384	7,652,486
Fund balances, beginning, as previously reported	26,993,577	2,674,804	4,838,130	34,506,511
Prior Period Adjustment (see Note 8)	737,029	-	248,951	985,980
Fund balances, beginning, as restated	27,730,606	2,674,804	5,087,081	35,492,491
Fund balances, end of year	\$ 27,523,598	\$ 9,053,914	\$ 6,567,465	\$ 43,144,977

**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, 2022**

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

Net change in fund balance - total governmental funds	\$ 7,652,486
Capital Outlay Expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	4,856,693
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.	(1,490,987)
Gain (loss) on Disposal of assets during the year.	(37,132)
Capital Outlay expenditures associated with right to use leased assets are recorded in the fund statements but capitalized as assets in the statement of activities.	147,471
Amortization Expense, the allocation of those leased assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(52,906)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	
LGERS	1,607,806
ROD	3,584
Benefit payment and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	9,485
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	368,611
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities -- it affects only the government-wide statement of net position.	(5,252,471)
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.	2,205,722
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)	(2,063)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	107,028
Pension expense	
LGERS	(1,069,098)
ROD	(7,677)
LEOSSA	(156,645)
OPEB plan expense	(515,802)
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	(123,189)
Increase (decrease) in accrued interest receivable at year end	(16,320)
Change in net position of governmental activities	\$ <u>8,234,596</u>

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 Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance With Final Positive Negative
<b>Revenues</b>				
Ad valorem taxes	\$ 25,065,726	\$ 25,065,725	\$ 26,081,016	\$ 1,015,291
Local option sales tax	10,029,178	10,029,178	13,167,012	3,137,834
Other taxes and licenses	62,250	62,250	74,559	12,309
Unrestricted intergovernmental	382,000	382,000	478,490	96,490
Restricted intergovernmental	8,216,076	9,478,847	9,515,970	37,123
Sales and services	4,088,097	4,088,097	4,073,247	(14,850)
Investment earnings	150,000	150,000	22,054	(127,946)
Miscellaneous	85,320	85,320	181,185	95,865
Total revenues	<u>48,078,647</u>	<u>49,341,417</u>	<u>53,593,533</u>	<u>4,252,116</u>
<b>Expenditures</b>				
Current:				
General government	5,253,299	5,465,284	4,543,559	921,725
Public safety	16,666,338	17,002,660	15,989,264	1,013,396
Transportation	28,750	28,750	28,750	-
Environmental protection	40,000	40,000	-	40,000
Economic and physical development	1,319,653	1,329,927	1,124,893	205,034
Human services	12,195,179	12,859,948	12,173,646	686,302
Cultural and recreational	1,398,220	2,167,220	1,998,098	169,122
Intergovernmental:				
Education	10,298,358	10,298,358	10,298,358	-
Debt service:				
Principal retirement	727,287	730,287	647,354	82,933
Interest and other charges	124,792	124,792	97,593	27,199
Total expenditures	<u>48,051,876</u>	<u>50,047,226</u>	<u>46,901,515</u>	<u>3,145,711</u>
Revenues over (under) expenditures	<u>26,771</u>	<u>(705,809)</u>	<u>6,692,018</u>	<u>7,397,827</u>
Other financing sources (uses):				
Transfers to other funds	(3,453,124)	(8,675,613)	(8,695,133)	(19,520)
Transfers from other funds	816,467	816,467	816,467	-
Proceeds from lease obligation	725,000	725,000	147,471	(577,529)
Sale of fixed assets	40,000	40,000	5,581	(34,419)
Contingency	(150,000)	(150,000)	(98,557)	51,443
Appropriated fund balance	1,994,886	7,949,955	-	(7,949,955)
Total other financing sources (uses)	<u>(26,771)</u>	<u>705,809</u>	<u>(7,824,171)</u>	<u>(8,529,980)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,132,153)</u>	<u>\$ (1,132,153)</u>
Fund balance, beginning			26,296,032	
Prior Period Adjustment (see Note 8)			737,029	
Fund balance, ending			<u>\$ 25,900,908</u>	

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 Year Ended June 30, 2022**

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General fund balance, ending	\$25,900,908
A legally budgeted Tax Reassessment Fund is consolidated into the General Fund for reporting purposes:	
Investment Earnings	616
Transfer in	48,000
Expenditures	(61,870)
Fund Balance, beginning	<u>383,557</u>
A legally budgeted Debt Service Fund is consolidated into the General Fund for reporting purposes:	
Investment Earnings	63
Transfer in	286,196
Transfer out	-
Expenditures	(278,406)
Fund Balance, beginning	<u>541</u>
A legally budgeted School Debt Service Fund is consolidated into the General Fund for reporting purposes:	
Transfer in General Fund	1,846,240
Expenditures	(1,496,034)
Fund Balance, beginning	<u>-</u>
A legally budgeted Facility Fees Fund is consolidated into the General Fund for reporting purposes:	
Restricted intergovernmental	43,173
Investment Earnings	31
Transfer out	(55,567)
Expenditures	(25,668)
Fund Balance, beginning	<u>1,859</u>
A legally budgeted LEOSSA Fund is consolidated into the General Fund for reporting purposes:	
Investment Earnings	502
Fund Balance, beginning	<u>311,588</u>
A legally budgeted MERP Fund is consolidated into the General Fund for reporting purposes:	
Transfer from General Fund	-
Miscellaneous Income	840,000
Expenditures	(222,132)
Fund Balance, beginning	<u>-</u>
Fund Balance, ending (Exhibit 4)	<u><u>\$27,523,598</u></u>

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

	<u>Non-Major</u> Solid Waste Fund	<u>Major</u> Water Fund	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 169,568	\$ 1,143,853	\$ 1,313,421
Accounts Receivable (net)	256,731	147,870	404,601
Due from other governments	34,703	44,471	79,174
Total current assets	<u>461,002</u>	<u>1,336,194</u>	<u>1,797,196</u>
Noncurrent assets:			
Restricted cash and investments	-	484,744	484,744
Capital Assets:			
Land	882,864	16,480	899,344
Construction in process	-	69,640	69,640
Building and improvements	464,010	-	464,010
Water distribution system	-	16,502,085	16,502,085
Vehicles and equipment	248,047	-	248,047
Less accumulated depreciation	<u>(282,470)</u>	<u>(2,446,840)</u>	<u>(2,729,310)</u>
Capital assets, net	<u>1,312,451</u>	<u>14,141,365</u>	<u>15,453,816</u>
Right to use assets, net	<u>778</u>	<u>-</u>	<u>778</u>
Total noncurrent assets	<u>1,313,229</u>	<u>14,626,109</u>	<u>15,939,338</u>
Total assets	<u><u>1,774,231</u></u>	<u><u>15,962,303</u></u>	<u><u>17,736,534</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
OPEB deferrals	<u>20,781</u>	<u>-</u>	<u>20,781</u>
Total deferred outflows of resources	<u>20,781</u>	<u>-</u>	<u>20,781</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	197,385	90,009	287,394
Accrued interest payable	-	30,297	30,297
Current maturities of long-term debt	779	223,688	224,467
Total current liabilities	<u>198,164</u>	<u>343,994</u>	<u>542,158</u>
Long-term liabilities:			
Accrued landfill closure and post closure	807,684	-	807,684
General obligation bonds payable	-	10,624,312	10,624,312
Installment purchase agreements payable	-	191,627	191,627
Net pension liability	11,686	-	11,686
Total OPEB liability	79,059	-	79,059
Customer deposits	<u>-</u>	<u>61,823</u>	<u>61,823</u>
Total noncurrent liabilities	<u>898,429</u>	<u>10,877,762</u>	<u>11,776,191</u>
Total liabilities	<u>1,096,593</u>	<u>11,221,756</u>	<u>12,318,349</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
OPEB deferrals	<u>21,634</u>	<u>-</u>	<u>21,634</u>
Total deferred inflows of resources	<u>21,634</u>	<u>-</u>	<u>21,634</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,312,451	3,101,738	4,414,189
Restricted	-	422,921	422,921
Unrestricted	<u>(635,666)</u>	<u>1,215,888</u>	<u>580,222</u>
Total net position	<u><u>\$ 676,785</u></u>	<u><u>\$ 4,740,547</u></u>	<u><u>\$ 5,417,332</u></u>

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

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

	<b>Non-Major</b>	<b>Major</b>	
	Solid Waste	Water	
	Fund	Fund	Total
Operating revenues:			
Charges for services	\$ 2,412,960	\$ 1,217,548	\$ 3,630,508
Other operating revenues	26,596	33,963	60,559
Total operating revenues	<u>2,439,556</u>	<u>1,251,511</u>	<u>3,691,067</u>
Operating expenses:			
Cost of operations	2,483,494	663,032	3,146,526
Landfill closure and post closure care costs	(83,144)	-	(83,144)
Depreciation and amortization	41,008	416,719	457,727
Total operating expenses	<u>2,441,358</u>	<u>1,079,751</u>	<u>3,521,109</u>
Operating income (loss)	<u>(1,802)</u>	<u>171,760</u>	<u>169,958</u>
Nonoperating revenues (expenses):			
Investment earnings	-	788	788
Federal, state, and local grants	19,690	-	19,690
NCDOT Reimbursement	100,000	-	100,000
Intergovernmental taxes and other revenues	120,641	-	120,641
Interest and other charges	-	(327,684)	(327,684)
Total nonoperating revenues (expenses)	<u>240,331</u>	<u>(326,896)</u>	<u>(86,565)</u>
Income (loss) before transfers and contributions	238,529	(155,136)	83,393
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	238,529	(155,136)	83,393
Total net position, beginning	406,722	4,895,683	5,302,405
Prior Period Adjustment (see Note 8)	31,534	-	31,534
Total net position - beginning (as restated)	<u>438,256</u>	<u>4,895,683</u>	<u>5,333,939</u>
Total net position, ending	<u><u>\$ 676,785</u></u>	<u><u>\$ 4,740,547</u></u>	<u><u>\$ 5,417,332</u></u>

**Vance County, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	<u>Non-Major</u> Solid Waste Fund	<u>Major</u> Water Fund	<u>Total</u>
Cash Flows From Operating Activities			
Cash received from customers	\$ 2,383,625	\$ 1,277,145	\$ 3,660,770
Cash paid for goods and services	(2,487,525)	(663,308)	(3,150,833)
Cash paid to employees for services	(23,993)	-	(23,993)
Other operating revenues	26,596	33,963	60,559
Net cash provided by (used in) operating activities	<u>(101,297)</u>	<u>647,800</u>	<u>546,503</u>
Cash Flows From Noncapital Financing Activities			
Transfers to other funds	-	-	-
Transfers from other funds	-	-	-
Net cash provided by (used in) financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities			
Capital contributions - Federal, state and local grants	19,690	-	19,690
Intergovernmental taxes and fees	127,857	-	127,857
NCDOT Reimbursement	100,000	-	100,000
Interest and bond issuance costs	-	(328,180)	(328,180)
Acquisition of capital assets	(1,557)	(69,640)	(71,197)
Issuance of debt	1,557	-	1,557
Repayment of debt obligations	(778)	(217,688)	(218,466)
Net cash provided by (used in) capital and related financing activities	<u>246,769</u>	<u>(615,508)</u>	<u>(368,739)</u>
Cash Flows From Investing Activities			
Investment Income	-	788	788
Net cash provided by (used in) investing activities	<u>-</u>	<u>788</u>	<u>788</u>
Net increase (decrease) in cash and cash equivalents/investments	<u>145,472</u>	<u>33,080</u>	<u>178,552</u>
Cash and cash equivalents/investments			
Beginning of year	<u>24,096</u>	<u>1,595,517</u>	<u>1,619,613</u>
End of year	<u>\$ 169,568</u>	<u>\$ 1,628,597</u>	<u>\$ 1,798,165</u>

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

**Vance County, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	<u>Non-Major</u> Solid Waste Fund	<u>Major</u> Water Fund	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (1,802)	\$ 171,760	\$ 169,958
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and Amortization	41,008	416,719	457,727
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(29,335)	71,970	42,635
(Increase) decrease in deferred outflows of resources for pensions	12,747	-	12,747
(Increase) in deferred outflows of resources for OPEB	(4,364)	-	(4,364)
Increase (decrease) in accounts payable and accrued liabilities	(22,059)	(276)	(22,335)
Increase (decrease) in deferred inflows of resources for pensions	(1,248)	-	(1,248)
Increase (decrease) in deferred inflows of resources for OPEB	(5,237)	-	(5,237)
Increase (decrease) in customer deposits	-	(12,373)	(12,373)
Increase (decrease) in net pension liability	(11,499)	-	(11,499)
Increase (decrease) in accrued post closure liability	(83,144)	-	(83,144)
Increase (decrease) in OPEB liability	3,636	-	3,636
Total adjustments	<u>(99,495)</u>	<u>476,040</u>	<u>376,545</u>
Net cash provided by (used in) operating activities	\$ <u>(101,297)</u>	\$ <u>647,800</u>	\$ <u>546,503</u>

**Vance County, North Carolina**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2022**

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ 113,515
Taxes receivable for other governments, net	<u>286,557</u>
Total assets	<u>400,072</u>
<b>LIABILITIES</b>	
Accounts payable	-
Due to other governments	<u>81,088</u>
Total liabilities	<u>81,088</u>
<b>NET POSITION</b>	
Restricted for:	
Individuals, organizations, and other governments	<u>318,984</u>
Total fiduciary net position	<u><u>\$ 318,984</u></u>

**Vance County**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2022**

	<b>Custodial Funds</b>
<b>ADDITIONS</b>	
Ad valorem taxes for other governments	\$ 6,952,887
Collections on behalf of inmates	326,702
Total additions	<u>7,279,589</u>
<b>DEDUCTIONS</b>	
Tax distributions to other governments	6,949,945
Payments on behalf of inmates	329,878
Total deductions	<u>7,279,823</u>
Net increase (decrease) in fiduciary net position	(234)
Net position, beginning	<u>319,218</u>
Net position, ending	<u><u>\$ 318,984</u></u>

**COUNTY OF VANCE, NORTH CAROLINA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**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:

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

The County reports the following fund types:

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

The County reports the following fund types:

*Non-major Funds*. The County maintains ten legally budgeted non-major funds. The Emergency Telephone Systems Fund, Fire District Fund, Economic Development Fund, Neighborhood Stabilization Program Fund, Representative Payee Fund, Deed of Trust Fund, Fines and Forfeitures Fund, and Opioid Settlement Fund are reported as non-major special revenue funds. The School Capital Reserve Fund is consolidated into the School Capital Projects Fund in accordance with GASB Statement No. 54. The Solid Waste Fund (an enterprise fund) is also reported as a nonmajor fund.

### **Measurement Focus, Basis of Accounting**

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

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

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

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

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

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

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, Deed of Trust Fund, Fines and Forfeitures Fund, and the Enterprise Funds. All annual appropriations lapse at the fiscal year end.

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

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.

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

##### **Deposits and Investments**

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

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

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

### **Cash and cash equivalents**

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

### **Restricted assets**

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

#### **Restricted Cash**

##### **Governmental Activities**

Tax Revaluation Fund	Tax revaluation	\$ 370,190
General Fund	Animal Shelter	31,980
Opioid Settlement Fund	Unexpended Settlement	132,686
Capital Project Fund	Unspent Grant Proceeds - American Rescue	8,650,402
Capital Project Fund	Unspent Loan Proceeds	5,105,000
School Capital Projects Fund	Unexpended Public School Building funds	4,214,549
Total Governmental Activities		<u>18,504,807</u>

##### **Business-Type Activities**

Water Fund	Customer deposits	61,823
Water Fund	USDA Reserve debt service	422,921
Total Business-type Activities		<u>484,744</u>

Total Restricted Cash		<u>\$ 18,989,551</u>
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### **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, 2021.

### **Lease Receivable**

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

### **Allowance for Doubtful Accounts**

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

### **Inventories and Prepaid Items**

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

### **Capital assets**

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

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

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

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

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

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

### **Right to use assets**

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

### **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, OPEB related deferrals, and leases receivable.

### **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.

## **Opioid Settlement Funds**

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

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

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

The County received \$132,686 as part of this settlement in Fiscal Year 2022. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30, 2022. The MOA offered the County two options of expending the funds. The County opted for Option A, which allows the County to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic.

## **Reimbursements for Pandemic-related Expenditures**

In FY 2020/21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The County was allocated \$8,650,402 of fiscal recovery funds to be paid in two equal installments. The first installment of \$4,325,201 was received in June 2021. The second installment will be received in mid-2022. The County plans on using the funds for revenue replacement in Fiscal Year 2023. Revenue replacement funds will be transferred to the appropriate funds once the County has determined the intended use of the funds.

## **Net Position/Fund Balances**

### **Net Position**

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

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



The governmental fund types classify fund balance as follows:

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

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

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

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

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

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

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

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

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

Committed for future healthcare benefits - portion of fund balance that is committed to cover future healthcare cost.

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.

### **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 HCB's fiduciary net position have been determined on the same basis as they are reported by the HCB. For this purpose, the HCB recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **Accounting Estimates**

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

## Note 2 – Stewardship, Compliance, and Accountability

### Excess of Expenditures Over Appropriations

Governing Body	\$ 4,023
Tax	31,222
Management Information Systems	6,887
Jail	115,391
Animal Control	13,858
Contributions to Other Agencies	3,825
Veterans	822
Farmers Market	1,086
Libraries	26,696
Transfers to Other Funds	19,519
Courthouse Facilities Fees	1,135

The County adopts their budget by department. Expenditures exceeded the budget primarily because of mispostings of budget amendments as actual expenses instead of budget entries, and the recording of year end accruals. For fiscal year 2023, the County will ensure that budget amendments are appropriately approved and recorded to cover expenditures.

## Note 3 – Detail Notes on All Funds

### 1 ASSETS

#### 1. Deposits

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

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, 2022, the carrying amount of the County's deposits was \$40,605,323 and the bank balance was \$40,567,488. Of the bank balance, \$1,127,724 was covered by federal depository insurance and \$40,445,640 deposits were covered under the Pooling Method. At June 30, 2022, the County had \$950 cash on hand.

At June 30, 2022, the carrying amount of deposits of Vance County ABC Board was \$1,630,812 and the bank balance was \$1,606,587. Of this balance, \$250,000 was covered by the federal depository insurance and \$1,356,587 was maintained in financial institutions utilizing the Pooling Method of collateralization.

At June 30, 2022, the carrying amount of deposits for the Vance County Tourism Development Authority was \$1,005,876 and the bank balance was \$1,005,876. 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, 2022, 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	\$ 10,009,370	\$ 10,009,370	\$ -
Total		\$ 10,009,370	\$ 10,009,370	\$ -

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

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

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

*Credit Risk:* The County limits investments to the provisions of the G.S. 159-30 and restricts the purchase of the securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organization (NRSROs). The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating AAAM by Standard & Poor's as of June 30, 2022.

At June 30, 2022, the Vance County Tourism Development Authority had the following investments and maturities. The Authority adopted a policy regarding custodial credit risk for deposits in May of 2015.

Investment Type	Valuation Measurement	Fair Value	Less than 6 Months	6-12 Months
NC Capital Management of Trust - Cash	Amortized Cost	\$ 117,009	N/A	N/A
Total		\$ 117,009	-	-

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

*Credit Risk:* The Authority's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2022.

At June 30, 2022 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
2018	\$ 1,053,156	\$ 344,909	\$ 1,398,065
2019	1,054,570	250,461	1,305,031
2020	1,065,898	157,229	1,223,127
2021	1,069,422	61,496	1,130,918
	<u>\$ 4,243,046</u>	<u>\$ 814,095</u>	<u>\$ 5,057,141</u>

#### 4. Receivables

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

	<u>Accounts</u>	<u>Taxes</u>	<u>Due From Other Governments</u>	<u>Total</u>
Governmental Activities:				
General	\$ 1,530,042	\$ 1,451,957	\$ 3,780,777	\$ 6,762,776
Other Governmental	79,900	69,970	162,101	311,971
Total Receivables	1,609,942	1,521,927	3,942,878	7,074,747
Allowance for Doubtful Accounts	(926,920)	(395,110)	-	(1,322,030)
Total Governmental Activities	\$ 683,022	\$ 1,126,817	\$ 3,942,878	\$ 5,752,717
Business Type Activities:				
Solid Waste	\$ 308,556	\$ -	\$ 34,703	\$ 343,259
Water	297,855	-	44,471	342,326
Total Receivables	606,411	-	79,174	685,585
Allowance for Doubtful Accounts	(280,984)	-	-	(280,984)
Total Business-Type Activities	\$ 325,427	\$ -	\$ 79,174	\$ 404,601

#### Leases Receivable

For the year ended 6/30/2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 1/28/22, Vance County, NC entered into a 60 month lease as Lessor for the use of 500 Beckford Drive. An initial lease receivable was recorded in the amount of \$436,424. As of 06/30/2022, the value of the lease receivable is \$436,424. The lessee is required to make monthly payments of \$7,311, that were to start upon completion of upgrades to the building. The lease has an interest rate of 0.7030%. The value of the deferred inflow of resources as of 06/30/2022 was \$436,424, and Vance County, NC recognized lease revenue of \$0 during the fiscal year. The first payment was not received until September 2023.

#### Principal and Interest Expected to Maturity

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2023	\$ 69,196	\$ 3,913	\$ 73,109
2024	85,423	2,307	87,730
2025	86,026	1,704	87,730
2026	86,632	1,098	87,730
2027	87,243	487	87,730
2028-2032	21,908	26	21,934
	<u>\$ 436,428</u>	<u>\$ 9,535</u>	<u>\$ 424,029</u>

## Notes receivable

The County's note receivables are as follows:

Receivables From	Purpose of Note Receivable	Maturity Date	Annual Payment	Balance as of 6/30/22
Town of Middleburg	Economic Development	February, 2022	\$ 3,600	\$ 300
Total				<u>\$ 300</u>

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

## 5. Capital assets

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

	Beginning Balance	Additions	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 2,403,383	\$ -	\$ -	\$ 2,403,383
Construction in Progress	6,263,151	3,954,323	-	10,217,474
Total capital assets not being depreciated	<u>8,666,534</u>	<u>3,954,323</u>	<u>-</u>	<u>12,620,857</u>
Depreciable property:				
Buildings	26,464,591	-	-	26,464,591
Vehicles	5,501,405	618,080	(235,056)	5,884,429
Equipment	3,029,454	284,290	(248,395)	3,065,349
Computer software	485,259	-	-	485,259
Total other capital assets being depreciated	<u>35,480,709</u>	<u>902,370</u>	<u>(483,451)</u>	<u>35,899,628</u>
Less accumulated depreciation for:				
Buildings	15,125,041	666,058	-	15,791,099
Vehicles	3,969,151	451,396	(197,924)	4,222,623
Equipment	1,714,586	320,112	(248,395)	1,786,303
Software	364,868	53,421	-	418,289
Total accumulated depreciation	<u>21,173,646</u>	<u>\$ 1,490,987</u>	<u>\$ (446,319)</u>	<u>22,218,314</u>
Total capital assets being depreciated, net	<u>14,307,063</u>			<u>13,681,314</u>
Governmental activities capital assets, net	<u>\$ 22,973,597</u>			<u>\$ 26,302,171</u>

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

Governmental Activities	
General Government	\$ 545,120
Public Safety	804,415
Human Services	116,385
Economic and physical development	25,067
Total depreciation expenses	<u>\$ 1,490,987</u>

## 5. Capital assets (continued)

The summary for the *Proprietary Funds* of the County at June 30, 2022 are composed as follows:

Business-type activities:

	Beginning Balance	Additions	Decreases	Ending Balance
<b>SOLID WASTE</b>				
Capital assets not being depreciated:				
Land	\$ 882,863	\$ -	\$ -	882,863
Total capital assets not	882,863	-	-	882,863
Capital assets being depreciated				
Buildings & improvements	464,010	-	-	464,010
Equipment	226,823	-	-	226,823
Vehicles	21,224	-	-	21,224
Total capital assets being	712,057	-	-	712,057
Less accumulated depreciation for:				
Buildings & improvements	55,004	30,660	-	85,664
Equipment	166,010	9,570	-	175,580
Vehicles	21,224	-	-	21,224
Total accumulated depreciation	242,238	\$ 40,230	\$ -	282,468
Solid Waste capital assets, net	<u>\$ 1,352,682</u>			<u>\$ 1,312,452</u>
	Beginning Balances	Increases	Decreases	Ending Balances
<b>WATER</b>				
Capital assets not being depreciated:				
Land	\$ 16,480	\$ -	\$ -	\$ 16,480
Construction in progress	-	69,640	-	69,640
Total capital assets not	16,480	69,640	-	86,120
Capital assets being depreciated				
Water lines	16,502,085	-	-	16,502,085
Total capital assets being	16,502,085	-	-	16,502,085
Less accumulated depreciation for:				
Improvements	2,030,121	416,719	-	2,446,840
Total accumulated depreciation	2,030,121	\$ 416,719	\$ -	2,446,840
Water capital assets, net	<u>\$ 14,488,444</u>			<u>\$ 14,141,365</u>
Business activities capital assets, net	<u>\$ 15,841,126</u>			<u>\$ 15,453,817</u>



## 5. Capital assets (continued)

Activity for the Tourism Development Authority for the year ended June 30, 2022, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Tourism Development Authority</b>				
Capital assets not being depreciated:				
Land	\$ 461,267	\$ -	\$ -	\$ 461,267
Total capital assets not being	<u>\$ 461,267</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 461,267</u>

Activity for the ABC Board for the year ended June 30, 2022, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>ABC Board</b>				
Capital assets not being depreciated:				
Land	\$ 192,898	\$ -	\$ -	\$ 192,898
Total capital assets not being	<u>192,898</u>	<u>-</u>	<u>-</u>	<u>192,898</u>
Capital assets being depreciated:				
Building	659,416	-	-	659,416
Land Improvements	92,930	-	-	92,930
Furniture and equipment	198,541	4,424	-	202,965
Total capital assets being	<u>950,887</u>	<u>4,424</u>	<u>-</u>	<u>955,311</u>
Less accumulated depreciation for:				
Building	260,104	21,981	-	282,085
Land improvement	75,737	4,470	-	80,207
Furniture and equipment	151,847	13,328	-	165,175
Total accumulated depreciator	<u>487,688</u>	<u>\$ 39,779</u>	<u>\$ -</u>	<u>527,467</u>
Total capital assets being depreciated, net	<u>463,199</u>			<u>427,844</u>
ABC - capital assets, net	<u>\$ 656,097</u>			<u>\$ 620,742</u>

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.

## 5. Capital assets (continued)

### Net Investment in Capital Assets

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

	Governmental Activities	Business-Type Activities
Capital assets	\$ 26,302,171	\$ 15,453,817
Right to use assets, net	94,565	-
Total debt, gross	22,816,533	11,039,628
Less:		
Other non-capital related debt	7,261,086	-
Capital related unspent debt proceeds	(5,105,000)	-
Total capital debt	20,660,447	11,039,628
Net investment in capital assets	\$ 5,736,289	\$ 4,414,189

**Commitments-** The County has no active general and school construction projects at June 30, 2022.

## 6. Right to Use Leased Assets

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

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

### Governmental Activities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Right to use assets				
Leased buildings	\$ -	\$ 22,473	\$ -	\$ 22,473
Leased equipment	-	124,998	-	124,998
Total right to use assets	-	147,471	-	147,471
Less accumulated amortization for:				
Leased buildings	-	11,236	-	11,236
Leased equipment	-	41,670	-	41,670
Total accumulated amortization	-	52,906	-	52,906
Right to use assets, net	\$ -	\$ 94,565	\$ -	\$ 94,565

## 6. Right to Use Leased Assets (continued)

### Business-Type Activities

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Right to use assets				
Leased land	\$ -	\$ 1,557	\$ -	\$ 1,557
Total right to use assets	-	1,557	-	1,557
Less accumulated amortization for:				
Leased land	-	778	-	778
Total accumulated amortization	-	778	-	778
Right to use assets, net	\$ -	\$ 779	\$ -	\$ 779

## 2. LIABILITIES

### 1. Payables

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

	<u>Vendors</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:			
General	\$ 1,239,123	\$ -	\$ 1,239,123
Other Governmental	46,322	-	46,322
Total Governmental Activities	\$ 1,285,445	\$ -	\$ 1,285,445
Business-type Activities			
Solid Waste	\$ 197,385	\$ -	\$ 197,385
Water Fund	90,009	-	90,009
Total Business-Type Activities	\$ 287,394	\$ -	\$ 287,394

## 2. Pension Plan and Other Postemployment Obligations

### a. Local Governmental Employees' Retirement System

*Plan Description.* The County is participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local government entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consist of 13 members- nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and the State Superintendent, who serve as ex-office members. The Local Government Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

## **2. Pension Plan and Other Postemployment Obligations (continued)**

### **a. Local Governmental Employees' Retirement System (continued)**

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

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

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2022, was 12.04% of compensation for law enforcement officers and 11.42% 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 \$1,607,806 for the year ended June 30, 2022. Contributions to the pension plan from the ABC Board and the Tourism Development Authority were \$52,455 and \$20,047, respectively, for the year ended June 30, 2022.

*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.

## 2. Pension Plan and Other Postemployment Obligations (continued)

### a. Local Governmental Employees' Retirement System (continued)

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

##### County

At June 30, 2022, the County reported a liability of \$2,804,794 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension 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, 2022, the County's proportion was 0.1829% (measured as of June 30, 2021), which was a decrease of 0.0079% from its proportion measured as of June 30, 2021 (measured as of June 30, 2020).

For the year ended June 30, 2022, the County recognized pension expense of \$1,069,098. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual	\$ 892,306	\$ -
Changes of assumptions	1,762,127	-
Net difference between projected and actual earnings on pension plan investments	-	4,007,208
Changes in proportion and differences between County	-	348,695
Contributions and proportionate share of contributions		
County contributions subsequent to the	1,607,806	-
Total	<u>\$ 4,262,239</u>	<u>\$ 4,355,903</u>

\$1,607,806 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June	
2023	\$ 100,495
2024	(236,123)
2025	(339,612)
2026	(1,226,230)
2027	-
Thereafter	-
	<u>\$ (1,701,470)</u>

## 2. Pension Plan and Other Postemployment Obligations (continued)

### a. Local Governmental Employees' Retirement System (continued)

#### Tourism Development Authority

At June 30, 2022, the TDA reported a liability of \$19,213, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The TDA's proportion of the net pension liability was based on a projection of the TDA's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2022, the TDA's proportion was .0013% (measured as of June 30, 2021), which was a decrease of 0.0001% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the TDA recognized pension expense of \$16,365. At June 30, 2022, the TDA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,182	\$ -
Changes of assumptions	12,206	-
Net difference between projected and actual earnings on pension	-	27,758
Changes in proportion and differences between TDA	-	2,416
Contributions and proportionate share of contributions		
County contributions subsequent to the measurement date	11,137	-
Total	<u>\$ 29,525</u>	<u>\$ 30,174</u>

\$11,137 reported as deferred outflows of resources related to pensions resulting from the TDA contributions and will be recognized as an increase of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June	
2023	\$ 696
2024	(1,636)
2025	(2,353)
2026	(8,494)
2027	-
Thereafter	-
	<u>\$ (11,787)</u>

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

Inflation	2.50 Percent
Salary	3.25% to 8.25%, which includes a 3.25% inflation and productivity factor
Investment Rate of Return	6.5 percent, net of pension plan investment expense, including inflation

## 2. Pension Plan and Other Postemployment Obligations (continued)

### a. Local Governmental Employees' Retirement System (continued)

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

The actuarial assumptions used in the December 31, 2020 valuations were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investments returns and inflation assumptions are developed through review of current and historical capital market data, sell-side investments research, consultant whitepapers, and historical performance of investments strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major assets class of June 30, 2022 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## 2. Pension Plan and Other Postemployment Obligations (continued)

### **a. Local Governmental Employees' Retirement System (continued)**

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 6.50 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability	\$ 10,887,976	\$ 2,804,794	\$ (3,847,195)
TDA's proportionate share of the net pension liability (asset)	\$ 74,583	\$ 19,213	\$ (26,354)

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

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

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

### **b. Law Enforcement Officers' Special Separation Allowance**

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

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

Retirees receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	42
Total	<u>43</u>

### **Summary of Significant Accounting Policies**

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



## 2. Pension Plan and Other Postemployment Obligations (continued)

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

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

Inflation	2.5 percent
Salary Increase	3.25 to 7.75 percent, including inflation and productivity factor
Discount Rate	2.25 percent

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

#### Mortality Rate

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

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

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

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

*Contributions* - The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$18,970 as benefits came due for the reporting period.

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

At June 30, 2022, the County reported a total pension liability of \$1,326,589. The total pension liability was measured as of June 30, 2021, based on a December 31, 2020 actuarial valuation. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the County recognized pension expense of \$156,645.

## 2. Pension Plan and Other Postemployment Obligations (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual	\$ 37,164	\$ 128,440
Changes of assumptions	275,858	44,640
County benefit payments and plan administrative expense made subsequent to the	9,485	-
Total	<u>\$ 322,507</u>	<u>\$ 173,080</u>

The County paid \$9,485 in benefit payments subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ 55,032
2024	42,286
2025	42,714
2026	33,872
2027	(20,861)
Thereafter	(13,101)
	<u>\$ 139,942</u>

*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 2.25 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.25 percent) or one percentage point higher (3.25 percent) than the current rate:

	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Total pension liability	\$ 1,454,646	\$ 1,326,589	\$ 1,210,225

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

Beginning Balance	\$ 1,426,855
Service Cost	83,070
Interest on the total pension liability	27,355
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(152,050)
Changes of assumptions or other inputs	(39,671)
Benefit payments	(18,970)
Other changes	-
Ending balance of the total pension liability	<u>\$ 1,326,589</u>

## **2. Pension Plan and Other Postemployment Obligations (continued)**

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

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 1.93 percent at June 30, 2020 (measurement date) to 2.25 percent at June 30, 2021 (measurement date).

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

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five year period ending December 31, 2019.

### **c. Supplemental Retirement Income Plan for Law Enforcement Officers**

*Plan Description* - The County contributes to the Supplemental Retirement Income Plan (the "Plan"), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR 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, 2022 were \$110,184, which consisted of \$84,564 from the County and \$25,620 from the law enforcement officers.

## **2. Pension Plan and Other Postemployment Obligations (continued)**

### **d. Register of Deeds' Supplemental Pension Fund**

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

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

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,584 for the year ended June 30, 2022.

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

At June 30, 2022, the County reported an asset of \$53,589 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on 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, 2021, the County's proportion was 0.27892%, which was a decrease of 0.05483% from its proportion measured as of June 30, 2020.

## 2. Pension Plan and Other Postemployment Obligations (continued)

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

For the year ended June 30, 2022, the County recognized pension expense of \$7,677. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 572	\$ 650
Changes of assumptions	3,908	-
Net difference between projected and actual earnings on pension plan	-	165
Changes in proportion and differences between County Contributions and proportionate share of contributions	11,808	3,629
County contributions subsequent to the measurement date	3,584	-
Total	<u>\$ 19,872</u>	<u>\$ 4,444</u>

\$3,584 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	
2023	\$ 5,951
2024	4,767
2025	(126)
2026	1,252
2027	-
Thereafter	-
	<u>\$ 11,844</u>

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

Inflation	2.50%
Salary Increases	3.25% - 8.25%
Investment Rate of Return	3.00%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2020 valuations were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

## **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, 2022 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 3.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.00 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension	\$ (42,566)	\$ (53,589)	\$ (62,852)

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

## 2. Pension Plan and Other Postemployment Obligations (continued)

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

The net pension liability (asset) for LGERS and ROD was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2021, with an actuarial valuation date of December 31, 2020. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability	\$ 2,804,794	\$ (53,589)	\$ -	\$ 2,751,205
Proportion of the Net Pension Liability (Asset)	0.18289%	0.27892%	n/a	
Total Pension Liability	-	-	1,326,589	1,326,589
Pension Expense	1,069,098	7,677	156,645	1,233,420

At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Outflows of Resources</u>	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Differences between expected and actual	\$ 892,306	\$ 572	\$ 37,164	\$ 930,042
Changes in assumptions	1,762,127	3,908	275,858	2,041,893
Changes in proportion and differences between County contributions and proportionate share of contributions	-	11,808	-	11,808
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,607,806	3,584	9,485	1,620,875
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual	-	650	128,440	129,090
Changes in assumptions	-	-	44,640	44,640
Net difference between projected and actual earnings on pension plan investments	4,007,208	165	-	4,007,373
Changes in proportion and differences between County contributions and proportionate share of contributions	348,695	3,629	-	352,324

## **2. Pension Plan and Other Postemployment Obligations (continued)**

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

*Plan Description.* The State of North Carolina contributes, on behalf of Vance county, to the Firemen's and Rescue Squad Workers' Pension Fund (Fund), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. The Fund provides pension benefits to any eligible fire and rescue squad workers that have elected to become members of the fund. Article 86 of G.S. Chapter 58 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. the Firemen's and Rescue Squad Workers' Pension Fund is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for the fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

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

### **g. Other Postemployment Benefits**

#### **Plan Description**

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

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

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	83	1
Terminated plan members entitled to but	0	0
Active plan members	279	42
Total	362	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.



## **2. Pension Plan and Other Postemployment Obligations (continued)**

### **g. Other Postemployment Benefits (continued)**

#### **Total OPEB Liability**

The County's total OPEB liability of \$21,367,349 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020.

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

Inflation	2.50 percent
Salary increases:	
General Employees	3.25 to 8.41 percent, including inflation
Law Enforcement Officers	3.25 to 7.90 percent, including inflation
Discount rate	2.16 percent
Healthcare cost trend rates:	
Pre-Medicare	7.00 percent for 2020 decreasing to an ultimate rate of 4.50 percent by 2030
Medicare	5.25 percent for 2020 decreasing to an ultimate rate of 4.50 percent by 2024

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

#### **Changes in the Total OPEB Liability**

	Total OPEB Liability
<b>Balances at June 30, 2020</b>	\$ 20,384,683
<b>Changes for the Year:</b>	
Service Cost	844,854
Interest	463,988
Differences between expected and actual experience	79,840
Changes of assumptions or other inputs	65,755
Benefit payments	(471,771)
Net Changes	982,666
<b>Balances at June 30, 2021</b>	<b>\$ 21,367,349</b>

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

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS Board.

## **2. Pension Plan and Other Postemployment Obligations (continued)**

### **g. Other Postemployment Benefits (continued)**

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

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

The following presents the net OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) and 1-percentage-point higher (3.16 percent) than the current discount rate:

	1% Decrease (1.16 percent)	Current (2.16 percent)	1% Increase (3.16 Percent)
Total OPEB liability (asset)	\$ 25,589,961	\$ 21,367,349	\$ 18,093,623

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)	\$ 17,620,970	\$ 21,367,349	\$ 26,323,533

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

For the year ended June 30, 2022, the County recognized OPEB expense of \$517,718. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 87,147	\$ 4,831,391
Changes of assumptions	3,399,406	1,015,614
Net difference between projected and actual earnings on plan	-	-
Benefit payments and administrative costs made subsequent to the measurement date	376,491	-
Total	\$ 3,863,044	\$ 5,847,005

\$376,491 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, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

#### **Year ended June 30**

2023	\$ (740,832)
2024	(740,832)
2025	(461,015)
2026	(228,412)
2027	(123,598)
Thereafter	(65,763)

## **2. Pension Plan and Other Postemployment Obligations (continued)**

### **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.

## **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 \$807,684 reported as landfill closure and post-closure care liability at June 30, 2022 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 2022.

The landfill was certified as closed in fiscal year 2000. Closure and post closure care costs will end of fiscal year 2030. The County's estimated post closure care cost liability of \$807,684 is based on estimated annual post closure care costs of \$97,040 plus 2% annual inflation, for the remaining 10 years the County is required to maintain and monitor the landfill.

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

#### 4. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pensions - difference between expected and actual experience		
LGERS	\$ 892,306	\$ -
Register of Deeds	572	650
LEOSSA	37,164	128,440
OPEB	87,147	4,831,391
Changes of assumptions		
LGERS	1,762,127	-
Register of Deeds	3,908	-
LEOSSA	275,858	44,640
OPEB	3,399,406	1,015,614
Pensions - difference between projected and actual investment		
LGERS	-	4,007,208
Register of Deeds	-	165
OPEB	-	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	-	348,695
Register of Deeds	11,808	3,629
Contributions, benefits and admin costs paid subsequent to measurement date		
LGERS	1,607,806	-
Register of Deeds	3,585	-
LEOSSA	9,485	-
Benefit payments for the OPEB plan paid subsequent to	376,491	-
Leases (General)	-	427,221
Prepaid taxes not yet earned (General Fund)	-	116,353
Note receivable	-	300
Total reported in the government-wide statements	<u>\$ 8,467,663</u>	<u>\$ 10,924,306</u>
Leases (General)	\$ -	\$ 427,221
Prepaid taxes not yet earned (General Fund)	-	116,353
Note receivable	-	300
Taxes receivable, net (General)	-	1,126,817
Total reported in the fund statements	<u>\$ -</u>	<u>\$ 1,670,691</u>

## **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 \$250,000 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, 2022, the County's management and the County attorney have no knowledge of any existing outstanding material cases.

## **7. Long-term obligations**

### **Leases**

For the year ended 6/30/2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

#### **Serviced by the General Fund**

On 07/01/2021, Vance County, NC entered into a 15 month lease as Lessee for the use of Xerox Copier - Emergency Services. An initial lease liability was recorded in the amount of \$2,832. As of 06/30/2022, the value of the lease liability is \$567. Vance County is required to make monthly fixed payments of \$189. The lease has an interest rate of 0.1850%. The value of the right to use asset as of 06/30/2022 of \$2,832 with accumulated amortization of \$2,221.38 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Vance County, NC entered into a 53 month lease as Lessee for the use of Xerox Copier - Board of Elections. An initial lease liability was recorded in the amount of \$12,593. As of 06/30/2022, the value of the lease liability is \$9,761. Vance County is required to make monthly fixed payments of \$240. The lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2022 of \$12,593 with accumulated amortization of \$2,835 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Vance County, NC entered into a 32 month lease as Lessee for the use of Xerox Copiers - DSS Ruin Creek Rd. An initial lease liability was recorded in the amount of \$31,449. As of 06/30/2022, the value of the lease liability is \$19,686. Vance County is required to make monthly fixed payments of \$987. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$31,449 with accumulated amortization of \$11,482 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Vance County, NC entered into a 20 month lease as Lessee for the use of Xerox Copier - DSS CPS Young Street. An initial lease liability was recorded in the amount of \$5,769. As of 06/30/2022, the value of the lease liability is \$2,310. Vance County is required to make monthly fixed payments of \$289. The lease has an interest rate of 0.2180%. The value of the right to use asset as of 06/30/2022 of \$5,769 with accumulated amortization of \$3,366 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Vance County, NC entered into a 20 month lease as Lessee for the use of Xerox Copier - Economic Dev. An initial lease liability was recorded in the amount of \$3,693. As of 06/30/2022, the value of the lease liability is \$1,478. Vance County is required to make monthly fixed payments of \$185. The lease has an interest rate of 0.2180%. The value of the right to use asset as of 06/30/2022 of \$3,693 with accumulated amortization of \$2,216 is included with Equipment on the Lease Class activities table found below.

## **7. Long-term obligations (continued)**

### **Leases (continued)**

On 07/01/2021, Vance County, NC entered into a 30 month lease as Lessee for the use of Xerox Copier - Coop Extension Services. An initial lease liability was recorded in the amount of \$9,533. As of 06/30/2022, the value of the lease liability is \$5,728. Vance County is required to make monthly fixed payments of \$319. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$9,533 with accumulated amortization of \$3,771 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Vance County, NC entered into a 55 month lease as Lessee for the use of Xerox Copier - Finance Office. An initial lease liability was recorded in the amount of \$9,662. As of 06/30/2022, the value of the lease liability is \$7,574. Vance County is required to make monthly fixed payments of \$178. The lease has an interest rate of 0.5770%. The value of the right to use asset as of 06/30/2022 of \$9,662 with accumulated amortization of \$2,088 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Vance County, NC entered into a 51 month lease as Lessee for the use of Xerox Copier - First Ambulance/EMS. An initial lease liability was recorded in the amount of \$6,516. As of 06/30/2022, the value of the lease liability is \$4,993. Vance County is required to make monthly fixed payments of \$129. The lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2022 of \$6,516 with accumulated amortization of \$1,528 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Vance County, NC entered into a 34 month lease as Lessee for the use of Xerox Copier - Office of Aging. An initial lease liability was recorded in the amount of \$4,367. As of 06/30/2022, the value of the lease liability is \$2,829. Vance County is required to make monthly fixed payments of \$129. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$4,367 with accumulated amortization of \$1,520 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Vance County, NC entered into a 20 month lease as Lessee for the use of Xerox Copier - Register of Deeds. An initial lease liability was recorded in the amount of \$3,171. As of 06/30/2022, the value of the lease liability is \$1,270. Vance County is required to make monthly fixed payments of \$159. The lease has an interest rate of 0.2180%. The value of the right to use asset as of 06/30/2022 of \$3,171 with accumulated amortization of \$1,884 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Vance County, NC entered into a 49 month lease as Lessee for the use of Xerox Copiers - Sheriff's Office. An initial lease liability was recorded in the amount of \$33,443. As of 06/30/2022, the value of the lease liability is \$25,309. Vance County is required to make monthly fixed payments of \$689. The lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2022 of \$33,443 with accumulated amortization of \$8,048 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Vance County, NC entered into a 33 month lease as Lessee for the use of Xerox Copiers - Tax Office. An initial lease liability was recorded in the amount of \$1,970. As of 06/30/2022, the value of the lease liability is \$1,255. Vance County is required to make monthly fixed payments of \$60. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$1,970 with accumulated amortization of \$710 is included with Equipment on the Lease Class activities table found below.

## 7. Long-term obligations (continued)

### Leases (continued)

On 07/01/2021, Vance County, NC entered into a 24 month lease as Lessee for the use of 324 & 326 - South Garnett Street. An initial lease liability was recorded in the amount of \$22,473. As of 06/30/2022, the value of the lease liability is \$11,247. Vance County is required to make monthly fixed payments of \$938. The lease has an interest rate of 0.2180%. The value of the right to use asset as of 06/30/2022 of \$22,473 with accumulated amortization of \$11,236 is included with Buildings on the Lease Class activities table found below. Vance County has 1 extension option(s), each for 36 months. Vance County had a termination period of 6 months as of the lease commencement.

### **Serviced by the Solid Waste Fund**

On 07/01/2021, Vance County, NC entered into a 24 month lease as Lessee for the use of Moody Convenient Site. An initial lease liability was recorded in the amount of \$1,557. As of 06/30/2022, the value of the lease liability is \$779. Vance County is required to make monthly fixed payments of \$65. The lease has an interest rate of 0.2180%. The value of the right to use asset as of 06/30/2022 of \$1,557 with accumulated amortization of \$778 is included with Land on the Lease Class activities table found below. Vance County has 1 extension option(s), each for 24 months.

#### Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	Lease Asset Value	Accumulated Amortization
Buildings	\$ 22,473	\$ 11,237
Equipment	124,998	41,670
Land	1,557	778
Total Leases	\$ 149,028	\$ 53,685

Annual debt service requirements to maturity for the County's lease liabilities are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principle	Interest	Principle	Interest
2023	\$ 49,381	\$ 280	\$ 779	\$ 1
2024	26,332	139	-	-
2025	14,776	56	-	-
2026	3,518	4	-	-
	\$ 94,007	\$ 479	\$ 779	\$ 1



## 7. Long-term obligations (continued)

### 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, 2022 are comprised of the following individual issues:

\$5,627,000 2014 General Obligation Water Bonds due in annual installments of \$78,000 to \$244,000 June 1, 2054, interest at 3.25%.	\$ 5,123,000
\$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%.	1,976,000
\$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%.	3,545,000
\$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%.	204,000
Total Serviced by the Enterprise Funds	<u>\$ 10,848,000</u>

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

Year Ending June 30	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		Total
	Principal	Interest	Principal	Interest	
2023	\$ -	\$ -	\$ 210,000	\$ 322,150	\$ 532,150
2024	-	-	215,000	315,940	530,940
2025	-	-	222,000	309,578	531,578
2026	-	-	228,000	303,008	531,008
2027	-	-	234,000	296,258	530,258
2028-2032	-	-	1,282,000	1,372,979	2,654,979
2033-2037	-	-	1,482,000	1,171,356	2,653,356
2038-2042	-	-	1,715,000	938,044	2,653,044
2043-2047	-	-	1,985,000	667,499	2,652,499
2048-2052	-	-	2,300,000	343,848	2,643,848
2053-2057	-	-	965,000	44,170	1,009,170
2058-2062	-	-	10,000	188	10,188
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,848,000</u>	<u>\$ 6,085,018</u>	<u>\$ 16,933,018</u>

## **7. Long-term obligations (continued)**

**Installment Purchases** – The County has several installment purchase agreements in effect at June 30, 2022. 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 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. \$ 370,189

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. 1,046,486

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. 739,411

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. 1,495,591

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%. 67,966

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%. -

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%. 50,319

## **7. Long-term obligations (continued)**

### **Installment Purchases (continued)**

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

346,173

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

215,044

## **7. Long-term obligations (continued)**

### **Installment Purchases (continued)**

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

168,348

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

6,585,000

## 7. Long-term obligations (continued)

### **Installment Purchases (continued)**

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

6,533,000

On September 23, 2021, the County entered into a \$5,105,000 direct placement installment financing agreement with Truist Bank, with the proceeds to be used for School Construction. The installment contract is to be paid in 15 annual principal payments ranging from \$340,000 to \$341,000 plus interest at 1.64% semi-annually beginning on March 1, 2022. Truist holds a deed of trust on the properties as collateral for the debt. The funds are currently sitting in an escrow account in the name of the County and can be drawn down as construction begins.

5,105,000

Total Serviced by the Governmental Funds

\$ 22,722,527

### **Direct Borrowing -Installment Purchase**

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

\$ 191,627

Total Serviced by the Enterprise Funds

\$ 191,627

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

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principle	Interest	Principle	Interest
2023	\$ 2,423,761	\$ 369,613	\$ 13,688	\$ -
2024	2,363,414	326,501	13,688	-
2025	2,325,492	284,283	13,688	-
2026	2,204,078	242,878	13,688	-
2027	1,825,824	203,132	13,688	-
2028-2032	7,015,914	651,631	68,438	-
2033-2037	3,858,930	244,790	54,749	-
2038-2042	331,744	68,376	-	-
2043-2047	373,370	27,054	-	-
	<u>\$ 22,722,527</u>	<u>\$ 2,418,258</u>	<u>\$ 191,627</u>	<u>\$ -</u>

## 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, 2022:

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022	Current Portion of Balance
<b>Governmental Activities:</b>					
Direct placement Installment purchases	\$ 19,769,784	\$ 5,105,000	\$ 2,152,257	\$ 22,722,527	\$ 2,423,761
Lease liability	-	147,471	53,465	94,006	49,381
Compensated absences	1,241,147	-	107,028	1,134,119	-
Net pension liability (LGERS)	6,795,984	-	4,002,876	2,793,108	-
Total pension liability (LEOSSA)	1,426,855	-	100,266	1,326,589	-
Total OPEB Liability	20,309,260	979,030	-	21,288,290	-
Total governmental activities	\$ 49,543,030	\$ 6,231,501	\$ 6,415,892	\$ 49,358,639	\$ 2,473,142
<b>Business-Type Activities:</b>					
Accrued landfill closure and post-closure care cost	\$ 890,828	\$ -	\$ 83,144	\$ 807,684	\$ -
Lease liability	-	1,557	778	779	779
General obligation debt	11,052,000	-	204,000	10,848,000	210,000
Direct Borrowing - Installment Purchase	205,315	-	13,688	191,627	13,688
Net pension liability (LGERS)	23,185	-	11,499	11,686	-
Total OPEB Liability	75,423	3,636	-	79,059	-
Total business-type activities	\$ 12,246,751	\$ 5,193	\$ 313,109	\$ 11,938,835	\$ 224,467

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

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022	Current Portion of Balance
Net pension	\$ 114,350	\$ -	\$ 58,834	\$ 55,516	\$ -
Compensated absences	36,880	4,953	-	41,833	-
Total OPEB Liability	342,708	21,783	-	364,491	-
Total	\$ 493,938	\$ 26,736	\$ 58,834	\$ 461,840	\$ -

The following is a summary of changes in the Tourism Development Authority's long-term obligations for the fiscal year ended June 30, 2022:

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022	Current Portion of Balance
Net pension liability	\$ 46,711	\$ -	\$ 27,498	\$ 19,213	\$ -
Compensated absences	14,845	2,476	-	17,321	17,321
Total OPEB Liability	74,995	5,217	-	80,212	-
Total	\$ 136,551	\$ 7,693	\$ 27,498	\$ 116,746	\$ 17,321

At June 30, 2022, the legal debt margin is \$208,607,295.

## 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, 2022, there were three series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$852,572.

## 3. FUND BALANCE

### Interfund Balances and Activity

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

From the General Fund to the Debt Service Fund to help pay debt service obligations.**	\$ 286,196
From the General Fund to the Revaluation fund to provide funding for future revaluation the County's tax base.**	48,000
From the General Fund to the School Capital Reserve Fund to cover capital expenditures for school facility improvements - restricted portion of sales tax.	3,045,447
From the General Fund to the General Capital Reserve Fund to provide funding for maintenance and special projects.	5,250,000
From the General Fund to the Neighborhood Stabilization Fund to cover prior year expenditures not funded by grant sources.	65,489
From the Facility Fee Fund to the General Fund to cover costs of Courthouse operations.**	55,567
From the Fire District Fund to the General Fund for administrative services, paid volunteers, VCFD fire tax allocations.	135,900
From the School Capital Reserve Fund to the General Fund for school capital outlay budgeted for	625,000
From the School Capital Reserve Fund to the Debt Service Schools Fund for debt repayment.**	<u>1,846,240</u>
Total Interfund Transfers	<u><u>\$ 11,357,839</u></u>

\*\* These transfers net together as General Fund when they move forward to the front exhibits.

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Facility Fees Fund	\$ 37,246
Total Due to/from Other Funds		<u><u>\$ 37,246</u></u>

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

### 3. FUND BALANCE (continued)

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

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation at June 30, 2022:

Total fund balance- General Fund	\$ 27,523,598
Less:	
Stabilization by state statute	4,421,145
Restricted for revaluation	370,190
Restricted for facility improvements	-
Committed for LEOSSA and OPEB benefits	312,090
Committed for animal shelter	31,980
Committed for future healthcare benefits	617,868
Appropriated Fund Balance in 2023 budget	1,655,897
<u>Remaining Fund Balance</u>	<u>\$ 20,114,428</u>

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. There were no outstanding encumbrances at June 30, 2022.

#### 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 \$810,000 to the Health District during the fiscal year ended June 30, 2022. The participating governments do not have any equity interest in the joint venture, therefore no equity interest has been reflected in the financial statements at June 30, 2022. Complete financial statements for the Health District can be obtained from the Health District's administrative offices at 101 Hunt Drive, Oxford, NC 27565.

As of June 30, 2022 Cardinal Health was dissolved and became Vaya Health. With the transition to Vaya Health Vance County will have two members appointed to their regional community board which in turn will appoint two members of the newly reconstituted Vaya Health Board. The County contributed \$174,493 to Vaya Health during fiscal year ended June 30, 2022. The participating governments do not have any equity interest in the joint venture, therefore no equity interest has been reflected in the financial statements at June 30, 2022. Complete financial statements for Vaya Health can be obtained from their administrative offices.



#### **Note 4 - Joint Ventures (continued)**

The County in conjunction with Granville County, Warren County, Franklin County, the State of North Carolina, and the Boards of Education of Vance, Granville, Warren, and Franklin Counties, participates in a joint venture to operate Vance-Granville Community College. Each participant appoints members of the thirteen-member board of trustees of the Community College. No participant appoints a majority. The president of the Community College's student government serves as an ex-officio nonvoting member of the Community College's board of trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and provides some financial support for the Community College's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$1,224,698 and \$1,313,429 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2022. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2022. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at P.O. Box 917, Henderson, NC 27536.

The Kerr Area Rural Transportation Authority (KARTS) is an association of five county governments, including Vance County. Karts is a joint venture of the participating counties for the purpose of providing a safe, adequate, and convenient transportation system for the jurisdictional area creating the Authority and its immediate environs. The counties served by KARTS, in addition to Vance County, are Granville, Franklin, Warren, and Person. General support of KARTS is provided by Federal, State, and local grants and user fees. Each county appoints two members of the Authority's managing body and this governing body determines the budget and financing requirements of the Authority. The criteria in NCGA Statement 3 were applied to the Authority, and while there were positive responses to some of the criteria, it was determined the County did not have significant influence over the Authority to justify inclusion of the Authority as part of the County reporting entity. The County contributed \$83,128 to KARTS during the fiscal year ended June 30, 2022. The participating governments do not have any equity interest in the joint venture, therefore no equity interest has been reflected in the financial statements at June 30, 2022. Complete financial statements for KARTS can be obtained from their administrative offices.

#### **Note 5- Jointly Governed Organization**

The County has joined with four other counties and fifteen municipalities in the area to establish the Kerr-Tar Regional Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$18,848 to the Council during the fiscal year ended June 30, 2022. 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.

## **Note 6- Summary Disclosure of Significant Commitments and Contingencies (continued)**

### **Economic Incentives**

In July 2019, Vance County negotiated an economic incentive with Open Broadband for high speed wireless service throughout the county over the next 4 years. To date, wireless service is available in the northern (New Hope Water Tank), eastern (Warrenton Road Water Tank), and southern (Kitrell Fire Station) part of the county although Open Broadband has not been meeting benchmarks for expanding service across the county. As of fall of 2022 a total of 23 activations have been completed with an additional 741 residents signed up on the waitlist for when service becomes available. To date the County provided the initial \$33,000 incentive payment but has not provided any additional of the total \$264,000 incentive. The incentive agreement goes through 2026 although payments originally were to end following FY22-23.

In December 2020, Vance County recruited Select Product Holdings to the county and negotiated an economic incentive grant. Select Products Holdings is committed to creating \$5.01 million in business personal property, \$50,000 in real property investment and 73 new jobs with an average wage of \$45,541 over five years. To date they have surpassed the investment threshold and are well on their way to surpassing the jobs requirement.

In November 2021 the county negotiated a local incentive agreement with MR Williams related to their \$4 million investment and addition of 25 new jobs at an average wage of \$45,756 over five years.

### **Federal and State Assisted Programs**

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

### **Coronavirus Disease (COVID-19)**

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

## **Note 7 -Significant Effects of Subsequent Events**

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

## **Note 8 - Prior Period Adjustment**

Prior period adjustments were made to the General Fund that increased fund balance by \$737,029. These adjustments were to record the June 2021 local option sales tax receivable, which increased fund balance by \$1,040,377; to record the June 2021 franchise tax distribution receivable, which increased fund balance by \$27,440; to record prior period transfers that should have been reflected to transfer restricted sales tax associated with the June 2021 local option sales tax, which decreased fund balance by \$248,951, and to fix other receivable and payable misspostings that did not clear out from prior years. Prior period adjustments were made to the Solid Waste Fund to accrued the June 2021 distributions for White Goods, Scrap Tire, and Solid Waste, increasing net position by a total of \$31,534. A prior period adjustment was made to the School Capital Reserve to transfer the restricted portion of sales tax associated with the June 2021 local option sales tax which increased fund balance by \$248,951.

**REQUIRED  
SUPPLEMENTAL FINANCIAL DATA**

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

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- ~ Schedule of County's Proportionate Share of Net Pension Liability (Asset) for (LGERS)
- ~ Schedule of County Contributions (LGERS)
  
- ~ Schedule of TDA's Proportionate Share of Net Pension Liability (Asset) for (LGERS)
- ~ Schedule of TDA Contributions (LGERS)
  
- ~ Schedule of County's Proportionate Share of Net Pension Asset Register of Deeds'
  
- ~ Schedule of County Contributions Register of Deeds' Supplemental Pension Fund
  
- ~ Schedule of Changes in Total Pension Liability for the Law Enforcement Officers' Special Separation Allowance.
  
- ~ Schedule of Liability as a Percentage of Covered Payroll for the Law Enforcement Officers' Special Separation Allowance.
  
- ~ Schedule of Changes in the Total OPEB Liability and Related Ratios

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

<b>Local Government Employees' Retirement System</b>					
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
County's proportion of the net pension liability (asset) (%)	0.18289%	0.19083%	0.21218%	0.21986%	0.21724%
County's proportion of the net pension liability (asset) (\$)	\$ 2,804,794	\$ 6,819,169	\$ 5,794,470	\$ 5,215,831	\$ 3,318,825
County's covered payroll	\$ 13,627,326	\$ 13,250,221	\$ 13,534,969	\$ 13,256,124	\$ 12,457,196
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	20.58%	51.46%	42.81%	39.35%	26.64%
Plan fiduciary net position as a percentage of the total pension liability**	95.51%	88.61%	90.86%	91.63%	94.18%
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	
County's proportion of the net pension liability (asset) (%)	0.20088%	0.20260%	0.20307%	0.21170%	
County's proportion of the net pension liability (asset) (\$)	\$ 4,263,347	\$ 909,257	\$ (1,197,597)	\$ 2,551,798	
County's covered payroll	\$ 11,843,244	\$ 11,883,802	\$ 11,508,246	\$ 11,508,426	
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	36.00%	7.65%	-10.41%	22.17%	
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%	

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

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

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

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

<b>Local Government Employees' Retirement System</b>					
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Contractually required contribution	\$ 1,607,806	\$ 1,410,130	\$ 1,225,276	\$ 1,070,611	\$ 985,875
Contributions in relation to the contractually required contribution	1,607,806	1,410,130	1,225,276	1,070,611	985,875
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 13,971,873	\$ 13,627,326	\$ 13,250,221	\$ 13,534,969	\$ 13,256,124
Contributions as a percentage of covered payroll	11.51%	10.35%	9.25%	7.91%	7.44%
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	
Contractually required contribution	\$ 792,557	\$ 795,724	\$ 844,790	\$ 813,633	
Contributions in relation to the contractually required contribution	792,557	795,724	844,790	813,633	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$ 12,457,196	\$ 11,843,244	\$ 11,883,802	\$ 11,508,246	
Contributions as a percentage of covered payroll	6.36%	6.72%	7.11%	7.07%	

\* Information is not required to be presented retroactively.

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

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

<b>Local Government Employees' Retirement System</b>					
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
TDA's proportion of the net pension liability (asset) (%)	0.0013%	0.0013%	0.0015%	0.0007%	0.0021%
TDA's proportion of the net pension liability (asset) (\$)	\$ 19,213	\$ 46,711	\$ 39,692	\$ 15,647	\$ 31,529
TDA's covered payroll	\$ 95,127	\$ 94,369	\$ 93,242	\$ 88,738	\$ 104,508
TDA's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	20.20%	49.50%	42.57%	17.63%	30.17%
Plan fiduciary net position as a percentage of the total pension liability**	95.51%	88.61%	90.86%	91.63%	94.18%
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	
TDA's proportion of the net pension liability (asset) (%)	0.0019%	0.0019%	0.0018%	0.0019%	
TDA's proportion of the net pension liability (asset) (\$)	\$ 40,502	\$ 8,547	\$ (10,898)	\$ 23,221	
TDA's covered payroll	\$ 103,045	\$ 101,738	\$ 98,367	\$ 11,508,426	
TDA's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	39.31%	8.40%	-11.08%	0.20%	
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%	

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

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

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

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

<b>Local Government Employees' Retirement System</b>					
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Contractually required contribution	\$ 20,047	\$ 9,659	\$ 8,393	\$ 7,291	\$ 6,717
Contributions in relation to the contractually required contribution	20,047	9,659	8,393	7,291	6,717
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TDA's covered payroll	\$ 96,248	\$ 95,127	\$ 94,369	\$ 93,242	\$ 88,738
Contributions as a percentage of covered payroll	20.83%	10.15%	8.89%	7.82%	7.57%
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	
Contractually required contribution	\$ 7,671	\$ 6,976	\$ 7,172	\$ 6,935	
Contributions in relation to the contractually required contribution	7,671	6,976	7,172	6,935	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
TDA's covered payroll	\$ 104,508	\$ 103,045	\$ 101,738	\$ 98,367	
Contributions as a percentage of covered payroll	7.34%	6.77%	7.05%	7.05%	

\* Information is not required to be presented retroactively.

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



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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's proportionate share of the net pension liability (%)	0.2789%	0.3338%	0.2764%	0.3547%	0.3568%
County's proportionate share of the net pension liability (\$)	\$ (53,589)	\$ (76,489)	\$ (54,571)	\$ (60,551)	\$ (60,899)
Plan fiduciary net position as a percentage of the total pension liability **	156.53%	173.62%	154.11%	153.31%	153.77%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
County's proportionate share of the net pension liability (%)	0.3612%	0.37046	0.381%	0.350%	
County's proportionate share of the net pension liability (\$)	\$ (67,524)	\$ (85,850)	\$ (86,355)	\$ (74,850)	
Plan fiduciary net position as a percentage of the total pension liability **	160.17%	197.29%	193.88%	190.50%	

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

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

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's required contribution	\$ 3,584	\$ 3,347	\$ 2,917	\$ 4,871	\$ 4,248
Contributions in relation to contractually required contribution	<u>3,584</u>	<u>3,347</u>	<u>2,917</u>	<u>4,871</u>	<u>4,248</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
County's required contribution	\$ 4,123	\$ 2,951	\$ 2,964	\$ 3,111	
Contributions in relation to contractually required contribution	<u>4,123</u>	<u>2,951</u>	<u>2,964</u>	<u>3,111</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

\* Information is not required to be presented retroactively.

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

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

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Beginning Balance	\$ 1,426,855	\$ 978,974	\$ 865,373
Service Cost	83,070	49,361	43,953
Interest on the total pension liability	27,355	31,527	31,023
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(152,050)	13,903	36,274
Changes of assumptions or other inputs	(39,671)	376,858	28,518
Benefit payments	(18,970)	(23,768)	(26,167)
Other changes	-	-	-
Ending balance of the total pension liability	<u>\$ 1,326,589</u>	<u>\$ 1,426,855</u>	<u>\$ 978,974</u>
	<b>2019</b>	<b>2018</b>	<b>2017</b>
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	<u>\$ 865,373</u>	<u>\$ 860,596</u>	<u>\$ 745,443</u>

The amounts presented for each fiscal year were determined as of the prior fiscal year

\* Information is not required to be presented retroactively.

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability	\$ 1,326,589	\$ 1,426,855	\$ 978,974
Covered payroll	2,055,137	1,824,999	1,888,184
Total pension liability as a percentage of covered payroll	64.55%	78.18%	51.85%
	<u>2019</u>	<u>2018</u>	<u>2017</u>
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 2026.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>					
Service cost	\$ 844,854	\$ 756,571	\$ 677,211	\$ 794,652	\$ 900,386
Interest	463,988	754,298	724,379	738,161	655,838
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	79,840	(5,205,120)	18,280	(2,223,909)	25,782
Changes of assumptions	65,755	3,542,636	1,266,106	(890,254)	(2,077,733)
Benefit payments	(471,771)	(512,604)	(512,404)	(551,531)	(565,191)
<b>Net change in total OPEB liability</b>	<u>982,666</u>	<u>(664,219)</u>	<u>2,173,572</u>	<u>(2,132,881)</u>	<u>(1,060,918)</u>
<b>Total OPEB liability - beginning</b>	<u>20,384,683</u>	<u>21,048,902</u>	<u>18,875,330</u>	<u>21,008,211</u>	<u>22,069,129</u>
<b>Total OPEB liability - ending</b>	<u>\$ 21,367,349</u>	<u>\$ 20,384,683</u>	<u>\$ 21,048,902</u>	<u>\$ 18,875,330</u>	<u>\$ 21,008,211</u>
 <b>Covered payroll</b>	 \$ 11,864,184	 \$ 11,864,184	 \$ 12,171,656	 \$ 12,171,653	 \$ 10,700,818
<b>Total OPEB liability as a percentage of covered payroll</b>	 180.10%	 171.82%	 172.93%	 155.08%	 196.32%

**Notes to Schedule**

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

<u>Fiscal Year</u>	<u>Rate</u>
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

## **GENERAL FUND**

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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.

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**Vance County, North Carolina**  
**General Fund**  
**Combining Balance Sheet**  
**June 30, 2022**

	General Fund	Revaluation Fund	Debt Service Fund	School Debt Service Fund	Facility Fees Fund	LEOSSA Pension Fund	MERP Fund	Totals June 30, 2022
<b>ASSETS</b>								
Cash and cash equivalents	\$ 22,804,447	\$ -	\$ 8,394	\$ 350,206	\$ -	\$ 312,090	\$617,868	\$ 24,093,005
Restricted Cash	31,980	370,190	-	-	-	-	-	402,170
Receivables:								
Property Tax	1,056,847	-	-	-	-	-	-	1,056,847
Accounts receivable	603,122	-	-	-	-	-	-	603,122
Due from other governments	3,779,590	113	-	-	1,074	-	-	3,780,777
Due from other funds	37,246	-	-	-	-	-	-	37,246
Leases receivable	427,221	-	-	-	-	-	-	427,221
Total assets	<u>\$ 28,740,453</u>	<u>\$ 370,303</u>	<u>\$ 8,394</u>	<u>\$ 350,206</u>	<u>\$ 1,074</u>	<u>\$ 312,090</u>	<u>\$617,868</u>	<u>\$ 30,400,388</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 1,239,123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,239,123
Due to other funds	-	-	-	-	37,246	-	-	37,246
Total liabilities	<u>1,239,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,246</u>	<u>-</u>	<u>-</u>	<u>1,276,369</u>
Deferred inflows of resources								
Prepaid taxes	116,353	-	-	-	-	-	-	116,353
Reserve for taxes receivable	1,056,847	-	-	-	-	-	-	1,056,847
Lease receivables	427,221	-	-	-	-	-	-	427,221
Total deferred inflows of resources	<u>1,600,421</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,600,421</u>
Fund balances:								
Restricted								
Stabilization by state statute	4,419,958	113	-	-	1,074	-	-	4,421,145
Tax revaluation	-	370,190	-	-	-	-	-	370,190
Committed								
LEO SSA Pension and OPEB benefits	-	-	-	-	-	312,090	-	312,090
Animal Shelter Reserve	31,980	-	-	-	-	-	-	31,980
Future healthcare benefits	-	-	-	-	-	-	617,868	617,868
Assigned								
Subsequent years' expenditures	1,655,897	-	-	-	-	-	-	1,655,897
Unassigned	19,793,074	-	8,394	350,206	(37,246)	-	-	20,114,428
Total fund balances	<u>25,900,909</u>	<u>370,303</u>	<u>8,394</u>	<u>350,206</u>	<u>(36,172)</u>	<u>312,090</u>	<u>617,868</u>	<u>27,523,598</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 28,740,453</u>	<u>\$ 370,303</u>	<u>\$ 8,394</u>	<u>\$ 350,206</u>	<u>\$ 1,074</u>	<u>\$ 312,090</u>	<u>\$ 617,868</u>	<u>\$ 30,400,388</u>

**Vance County, North Carolina**  
**General Fund**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended June 30, 2022**

	General Fund	Revaluation Reserve Fund	Debt Service Fund	School Debt Service Fund	Facility Fees Fund	LEOSSA Pension Fund	MERP Fund	Consolidated Entries	Totals June 30, 2022
<b>Revenues</b>									
Ad valorem taxes	\$ 26,081,016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,081,016
Local option	13,167,012	-	-	-	-	-	-	-	13,167,012
Other taxes and licenses	74,559	-	-	-	-	-	-	-	74,559
Unrestricted intergovernmental	478,490	-	-	-	-	-	-	-	478,490
Restricted intergovernmental	9,515,970	-	-	-	43,173	-	-	-	9,559,143
Sales service	4,073,247	-	-	-	-	-	-	-	4,073,247
Investment earnings	22,054	616	63	-	31	502	-	-	23,266
Miscellaneous other	181,185	-	-	-	-	-	840,000	(835,200)	185,985
Total revenues	53,593,533	616	63	-	43,204	502	840,000	(835,200)	53,642,718
<b>Expenditures</b>									
General Government	4,543,559	61,870	-	-	25,668	-	222,132	(105,600)	4,747,629
Public safety	15,989,264	-	-	-	-	-	-	(429,600)	15,559,664
Transportation	28,750	-	-	-	-	-	-	-	28,750
Environmental protection	-	-	-	-	-	-	-	-	-
Economic and community development	1,124,893	-	-	-	-	-	-	(24,000)	1,100,893
Human services	12,173,646	-	-	-	-	-	-	(252,000)	11,921,646
Cultural and recreational	1,998,098	-	-	-	-	-	-	(24,000)	1,974,098
Education	10,298,358	-	-	-	-	-	-	-	10,298,358
Debt Services									
Principal	647,354	-	221,971	1,336,397	-	-	-	-	2,205,722
Interest and fees	97,593	-	56,435	159,637	-	-	-	-	313,665
Total expenditures	46,901,515	61,870	278,406	1,496,034	25,668	-	222,132	(835,200)	48,150,425
Revenues over (under) expenditures	6,692,018	(61,254)	(278,343)	(1,496,034)	17,536	502	617,868	-	5,492,293
Other financing sources (uses):									
Transfers in	816,467	48,000	286,196	1,846,240	-	-	-	-	2,996,903
Transfers out	(8,695,132)	-	-	-	(55,567)	-	-	-	(8,750,699)
Lease liabilities issued	147,471	-	-	-	-	-	-	-	147,471
Contingency	(98,557)	-	-	-	-	-	-	-	(98,557)
Sales of fixed assets	5,581	-	-	-	-	-	-	-	5,581
Total other financing sources (uses)	(7,824,170)	48,000	286,196	1,846,240	(55,567)	-	-	-	(5,699,301)
Revenues and other financing sources over (under) expenditures and other financing uses	(1,132,152)	(13,254)	7,853	350,206	(38,031)	502	617,868	-	(207,008)
Fund balances, beginning	26,296,032	383,557	541	-	1,859	311,588	-	-	26,993,577
Prior period adjustment (see Note 8)	737,029	-	-	-	-	-	-	-	737,029
Fund balances, ending	\$ 25,900,909	\$ 370,303	\$ 8,394	\$ 350,206	\$ (36,172)	\$ 312,090	\$ 617,868	\$ -	\$ 27,523,598



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

	2022		Variance Positive (Negative)
	Budget	Actual	
<b>Revenues</b>			
Ad Valorem taxes			
Taxes	\$ 24,903,725	\$ 25,861,510	\$ 957,785
Penalties and interest	162,000	219,506	57,506
Total	<u>25,065,725</u>	<u>26,081,016</u>	<u>1,015,291</u>
Local option sales tax			
Article 39 one percent	4,719,735	5,862,697	1,142,962
Article 40 one - half of one percent	2,631,190	3,749,400	1,118,210
Article 42 one - half of one percent	2,678,253	3,554,915	876,662
Hold Harmless	-	-	-
Total	<u>10,029,178</u>	<u>13,167,012</u>	<u>3,137,834</u>
Other taxes and licenses			
Real estate transfer tax	27,000	31,581	4,581
Motor Vehicle rental tax	32,500	40,403	7,903
Privilege licenses	2,750	2,575	(175)
Total	<u>62,250</u>	<u>74,559</u>	<u>12,309</u>
Unrestricted intergovernmental			
Beer and wine tax	130,000	107,912	(22,088)
ABC Distribution	130,000	270,232	140,232
Video franchise fees	122,000	100,346	(21,654)
Total	<u>382,000</u>	<u>478,490</u>	<u>96,490</u>
Restricted intergovernmental			
Federal, State, and local grants	7,680,006	7,583,488	(96,518)
H.L. Perry Library	615,000	669,681	54,681
Vance County Housing Authority	300,000	219,153	(80,847)
Traffic Crowd Control	100,000	351,687	251,687
911 fees	761,841	648,328	(113,513)
Covid-19 Funding	-	15,200	15,200
ABC bottle tax	22,000	28,433	6,433
Total	<u>9,478,847</u>	<u>9,515,970</u>	<u>37,123</u>

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

	2022		Variance Positive (Negative)
	Budget	Actual	
Sales and services			
Animal Shelter	110,600	220,308	109,708
4H service	17,000	11,569	(5,431)
DSS local fees	54,814	17,524	(37,290)
City of Henderson- tax collections fees	184,113	196,228	12,115
Planning fees	-	-	-
Elections	59,320	109,511	50,191
Rent	26,500	26,500	-
Sale of maps and ordinance	50	-	(50)
Fire incident billing reimbursement	8,500	2,485	(6,015)
Law enforcement fees	577,600	357,099	(220,501)
Jail fees	351,100	324,210	(26,890)
Ambulance fees	2,050,000	2,036,922	(13,078)
Register of deeds	302,500	206,478	(96,022)
Inspection fees	300,000	363,570	63,570
Tax foreclosure fees	20,000	170,470	150,470
Vance County TDA fees	26,000	30,373	4,373
Total	4,088,097	4,073,247	(14,850)
Investment earnings	150,000	22,054	(127,946)
Total	150,000	22,054	(127,946)
Miscellaneous:			
Fines	600	3,600	3,000
Other revenues	84,720	177,585	92,865
Total	85,320	181,185	95,865
Total revenues	49,341,417	53,593,533	4,252,116
<b>Expenditures</b>			
<b>General Government:</b>			
Governing body:			
Salaries and employee benefits		140,667	
Other operating expenditures		189,720	
Total	326,364	330,387	(4,023)
Administration and finance:			
Salaries and employee benefits		888,798	
Other operating expenditures		63,813	
Capital outlay		9,662	
Total	999,316	962,273	37,043

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

	2022		Variance Positive (Negative)
	Budget	Actual	
Elections:			
Salaries and employee benefits		184,521	
Other operating expenditures		69,169	
Capital outlay		12,593	
Total	274,347	266,283	8,064
Taxes:			
Salaries and employee benefits		588,336	
Other operating expenditures		276,448	
Capital Outlay		1,970	
Total	835,532	866,754	(31,222)
County Attorney:			
Contracted Services		7,876	
Total	66,114	7,876	58,238
Court facilities:			
Salaries and employee benefits		164,369	
Other operating expenditures		183,350	
Total	414,432	347,719	66,713
Register of deeds:			
Salaries and employee benefits		222,580	
Other operating expenditures		85,831	
Total	406,733	308,411	98,322
Public Buildings			
Salaries and employee benefits		235,264	
Other operating expenditures		265,553	
Capital Outlay		55,494	
Total	1,039,590	556,311	483,279
Central Services			
Salaries and employee benefits		-	
Other operating expenditures		87,585	
Capital Outlay		120,910	
Retiree health insurance		356,873	
Total	777,566	565,368	212,198
Management Information Systems			
Salaries and employee benefits		269,253	
Other operating expenditures		50,941	
Capital outlay		11,983	
Total	325,290	332,177	(6,887)
Total General Government	5,465,284	4,543,559	921,725

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

	2022		Variance
	Budget	Actual	Positive (Negative)
<b>Public safety:</b>			
Sheriff:			
Salaries and employee benefits		3,944,705	
Other operating expenditures		741,518	
Capital outlay		354,968	
Total	5,365,182	5,041,191	323,991
Jail:			
Salaries and employee benefits		2,528,435	
Other operating expenditures		2,095,379	
Total	4,508,423	4,623,814	(115,391)
Sheriff's interdiction program			
Other operating expenditures		3,085	
Total	5,000	3,085	1,915
Fire and ambulance			
Salaries and employee benefits		3,054,767	
Other operating expenditures		925,596	
Capital outlay		6,516	
Total	4,695,500	3,986,879	708,621
E911 communications			
Salaries and employee benefits		1,371,733	
Other operating expenditures		123,176	
Capital outlay		50,119	
Total	1,648,595	1,545,028	103,567
Animal control:			
Salaries and employee benefits		351,125	
Other operating expenditures		208,192	
Capital outlay		76,625	
Total	622,084	635,942	(13,858)
Rescue squad			
Contracted services		101,375	
Total	101,375	101,375	-
Medical examiner			
Contracted services		45,450	
Total	50,000	45,450	4,550
Crime stoppers			
Other operating expenditures		500	
Total	500	500	-

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

	2022		Variance Positive (Negative)
	Budget	Actual	
Beaver management			
Other operating expenditures		6,000	
Total	6,000	6,000	-
Total public safety	17,002,660	15,989,264	1,013,395
<b>Transportation</b>			
Contribution to regional airport		28,750	
	28,750	28,750	-
<b>Environmental Protection</b>			
Demolitions and removals		-	
	40,000	-	40,000
<b>Economic and Community Development:</b>			
Economic development:			
Salaries and employee benefits		127,476	
Other operating expenditures		60,835	
Capital outlay		26,166	
	240,787	214,477	26,310
Soil and water conservation:			
Salaries and employee benefits		104,409	
Other operating expenditures		8,941	
	121,225	113,350	7,875
Planning:			
Salaries and employee benefits		390,878	
Other operating expenditures		54,806	
Capital outlay		29,614	
Total	642,237	475,298	166,939
Contributions to other agencies:			
Kerr Tar Regional COG membership dues		23,005	
Economic Development Commission		57,000	
Various other agencies		5,086	
Total	81,266	85,091	(3,825)
Farmers Market			
Salaries and employee benefits		16,987	
Other operating expenditures		27,270	
Total	43,171	44,257	(1,086)
Cooperative extensions:			
Salaries and employee benefits		5,068	
Other operating expenditures		177,819	
Capital outlay		9,533	
Total	201,241	192,420	8,821

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

	2022		Variance Positive (Negative)
	Budget	Actual	
Total Economic and Physical Development	1,329,927	1,124,893	205,034
<b>Human Services:</b>			
Health:			
Administration:			
Other operating expenditures		20,379	
Contracted Services- GVHD		810,000	
Capital outlay		-	
Total	843,798	830,379	13,419
Mental health:			
Administration:			
Other operating expenditures		284,493	
Total	285,359	284,493	866
Social services:			
Administration:			
Salaries and employee benefits		5,233,592	
Other operating expenditures		3,647,215	
Public assistance payments		253,489	
Work First assistance payments		200,970	
Covid-19 payments		3,820	
Total	9,596,278	9,339,086	257,192
Aging services:			
Administration:			
Salaries and employee benefits		447,605	
Other operating expenditures		183,404	
Capital outlay		4,367	
Total	741,879	635,376	106,503
Nutritional meals:			
Administration:			
Salaries and employee benefits		11,821	
Other operating expenditures		22,980	
Purchased meals		78,300	
Total	117,672	113,101	4,571
Smart Start:			
Administration:			
Salaries and employee benefits		50,567	
Contracted services		8,921	
Operating expenditures		10,431	
Total	76,074	69,919	6,155

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

	2022		Variance
	Budget	Actual	Positive (Negative)
Veterans services:			
Salaries and employee benefits		124,225	
Other operating expenditures		9,108	
Total	132,511	133,333	(822)
Vance County Housing Authority:			
Salaries and employee benefits		247,743	
Other operating expenditures		-	
Total	300,000	247,743	52,257
NYPUM Program:			
Contracted Services		113,816	
Operating expenditures		17,216	
Total	153,993	131,032	22,961
Pal-to-Pal Program:			
Contracted services		39,797	
Operating expenditures		19,061	
Total	84,427	58,858	25,569
Other Human Services Contributions:			
Lifeline	2,000	2,000	-
FVW Opportunities	12,000	12,000	-
K.A.R.T.S.	215,465	134,591	80,874
Central Children's Home	-	5,918	(5,918)
Smart Start	5,500	5,500	-
Boys and Girls Club	27,000	27,000	-
JCPC	52,572	46,062	6,510
Other contributions	213,420	97,255	116,165
Total	527,957	330,326	197,631
Total Human Services	12,859,948	12,173,646	686,302
Cultural and recreational:			
Recreation:			
Operating expenditures- City of Henderson	798,030	602,212	195,818
Arts Council:			
Operating expenditures	2,000	2,000	-
Libraries			
Salaries and employee benefits		695,696	
Contribution to regional library		698,190	
Total	1,367,190	1,393,886	(26,696)
Total cultural and recreational	2,167,220	1,998,098	169,122

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

	2022		Variance Positive (Negative)
	Budget	Actual	
Education:			
Public schools- current	8,482,440	8,482,440	-
Public schools- capital outlay	625,000	625,000	-
Community colleges- current	1,149,698	1,149,698	-
Community colleges-capital outlay	41,220	41,220	-
Total Education	10,298,358	10,298,358	-
Debt service:			
Debt principal	730,287	647,354	82,933
Interest and fees	124,792	97,593	27,199
Total debt service	855,079	744,947	110,132
Total expenditures	50,047,226	46,901,515	3,145,710
Revenue over (under) expenditures	(705,809)	6,692,018	7,397,826
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(8,675,613)	(8,695,133)	(19,520)
Transfers from other funds	816,467	816,467	-
Total operating transfers	(7,859,146)	(7,878,666)	(19,520)
Proceeds from lease obligation	725,000	147,471	(577,529)
Sale of fixed assets	40,000	5,581	(34,419)
Contingency	(150,000)	(98,557)	51,443
Appropriated fund balance	7,949,955	-	(7,949,955)
Total other financing sources (uses)	705,809	(7,824,171)	(8,529,980)
Net change in fund balance	\$ -	(1,132,153)	\$ (1,132,154)
Fund balance, beginning		26,296,032	
Prior period adjustment (See Note 9)		737,029	
Fund balance, ending		\$ 25,900,908	



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

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Investment earnings	\$ 500	\$ 616	\$ 116
Total revenues	<u>500</u>	<u>616</u>	<u>116</u>
<b>Expenditures</b>			
General Government			
Tax revaluation	735,200	61,870	673,330
Total Expenditures	<u>735,200</u>	<u>61,870</u>	<u>673,330</u>
Revenue over (under) expenditures	<u>(734,700)</u>	<u>(61,254)</u>	<u>673,446</u>
<b>Other Financing Sources (Uses)</b>			
Transfer from General Fund	344,000	48,000	(296,000)
Fund Balance Appropriated	<u>390,700</u>	<u>-</u>	<u>(390,700)</u>
Total other financing sources	<u>734,700</u>	<u>48,000</u>	<u>(686,700)</u>
Revenues and appropriated fund balance over (under) expenditures	\$ <u><u>-</u></u>	(13,254)	\$ <u><u>(13,254)</u></u>
Fund balance, beginning		<u>383,557</u>	
Fund balance, ending		\$ <u><u>370,303</u></u>	

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

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Investment earnings	\$ 500	\$ 63	\$ (437)
Total revenues	<u>500</u>	<u>63</u>	<u>(437)</u>
<b>Expenditures</b>			
Debt Service			
Principal retirement	221,972	221,971	1
Interest and fees	<u>56,721</u>	<u>56,435</u>	<u>286</u>
Total Expenditures	<u>278,693</u>	<u>278,406</u>	<u>287</u>
Revenue over (under) expenditures	<u>(278,193)</u>	<u>(278,343)</u>	<u>(150)</u>
<b>Other Financing Sources (Uses)</b>			
Transfer from General Fund	286,196	286,196	-
Transfer to General Fund	<u>(8,003)</u>	<u>-</u>	<u>8,003</u>
Total other financing sources	<u>278,193</u>	<u>286,196</u>	<u>8,003</u>
Revenue and other financing sources over (under) expenditures	\$ <u>-</u>	7,853	\$ <u>7,853</u>
Fund balance, beginning		<u>541</u>	
Fund balance, ending		\$ <u>8,394</u>	

**Vance County, North Carolina**  
**School Debt Service Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2022**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Investment earnings	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>			
Debt Service			
Principal retirement	1,482,374	1,336,397	145,977
Interest and fees	363,866	159,637	204,229
Total Expenditures	<u>1,846,240</u>	<u>1,496,034</u>	<u>350,206</u>
Revenue over (under) expenditures	<u>(1,846,240)</u>	<u>(1,496,034)</u>	<u>350,206</u>
<b>Other Financing Sources (Uses)</b>			
Transfer from General Fund	1,846,240	1,846,240	-
Total other financing sources	<u>1,846,240</u>	<u>1,846,240</u>	<u>700,412</u>
Revenues and appropriated fund balance over (under) expenditures	\$ <u>-</u>	350,206	\$ <u>1,050,618</u>
Fund balance, beginning		<u>-</u>	
Fund balance, ending		<u>\$ 350,206</u>	

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

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Restricted intergovernmental	\$ 80,000	\$ 43,173	\$ (36,827)
Investment earnings	100	31	(69)
Total revenues	<u>80,100</u>	<u>43,204</u>	<u>(36,896)</u>
<b>Expenditures</b>			
General Government			
Courthouse facility fees	24,533	25,668	(1,135)
Total Expenditures	<u>24,533</u>	<u>25,668</u>	<u>(1,135)</u>
Revenue over (under) expenditures	<u>55,567</u>	<u>17,536</u>	<u>(38,031)</u>
<b>Other Financing Sources (Uses)</b>			
Transfer to General Fund	<u>(55,567)</u>	<u>(55,567)</u>	-
Total other financing sources	<u>(55,567)</u>	<u>(55,567)</u>	-
Revenue and other financing sources over (under) expenditures	\$ <u>-</u>	(38,031)	\$ <u>(38,031)</u>
Fund balance, beginning		<u>1,859</u>	
Fund balance, ending		\$ <u>(36,172)</u>	

**Vance County, North Carolina**  
**Law Enforcement Officers Special Separation Allowance**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2022**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Investment earnings	\$ -	\$ 502	\$ 502
Total revenues	-	502	502
<b>Expenditures</b>			
Public Safety			
LEO Separation allowance benefit	330,000	-	330,000
Total Expenditures	330,000	-	330,000
Revenue over (under) expenditures	(330,000)	502	330,502
<b>Other Financing Sources (Uses)</b>			
Fund Balance Appropriated	330,000	-	(330,000)
Total other financing sources	330,000	-	(330,000)
Revenue and other financing sources over (under) expenditures	\$ -	502	\$ 502
Fund balance, beginning		311,588	
Fund balance, ending		\$ 312,090	

Vance County, North Carolina  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
Medical Expense Reimbursement Plan (MERP) Fund  
For the Year Ended June 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
<b>Revenues</b>			
Contribution from Component Unit	\$ 4,800	\$ 4,800	\$ -
Contribution from General Fund	835,200	835,200	
Total Revenues	840,000	840,000	-
<b>Expenditures</b>			
<b>General Government:</b>			
Nondepartmental			
Claims Paid		222,132	
Total	840,000	222,132	617,868
Total expenditures	840,000	222,132	617,868
Revenue over (under) expenditures	-	617,868	617,868
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	\$ -	617,868	\$ 617,868
Fund balance, beginning		-	
Fund balance, ending		\$ 617,868	

## **OTHER MAJOR GOVERNMENTAL FUNDS**

Vance County, North Carolina  
**Capital Projects Fund - General Capital Projects Fund**  
**General Capital Projects Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**From Inception and for the the Fiscal Year Ended June 30, 2022**

	Project Authorization	Prior Years	Current Year	Total To Date	Variance Positive (Negative)
<b>Revenues</b>					
Restricted intergovernmental-					
COVID-19 Revenue	\$ 1,922,169	\$ 982,153	\$ -	\$ 982,153	\$ (940,016)
ARPA Revenue	8,650,402	-	-	-	(8,650,402)
Investment earnings	-	2,113	393	2,506	2,506
Total revenues	<u>10,572,571</u>	<u>984,266</u>	<u>393</u>	<u>984,659</u>	<u>(9,587,912)</u>
<b>Expenditures</b>					
Economic & community development					
County Buildings					
Legal and fiscal-					
Debt issuance cost	-	7,500	-	7,500	(7,500)
Contracted Services	-	276,601	-	276,601	(276,601)
Construction	6,703,234	5,991,668	3,950,123	9,941,791	(3,238,557)
Contingency	289,266	3,607	4,200	7,807	281,459
Bond issuance cost	-	-	5,900	5,900	(5,900)
COVID-19 Expenditures	1,922,169	1,347,786	9,409	1,357,195	564,974
ARPA Expenditures	8,650,402	-	-	-	8,650,402
Total expenditures	<u>17,565,071</u>	<u>7,627,162</u>	<u>3,969,632</u>	<u>11,596,794</u>	<u>5,968,277</u>
Revenue over (under) expenditures	<u>(6,992,500)</u>	<u>(6,642,896)</u>	<u>(3,969,239)</u>	<u>(10,612,135)</u>	<u>(3,619,635)</u>
<b>Other Financing Sources (Uses)</b>					
Installment financing proceeds	<u>6,992,500</u>	<u>8,346,308</u>	<u>5,105,000</u>	<u>13,451,308</u>	<u>6,458,808</u>
Total other financing sources	<u>6,992,500</u>	<u>8,346,308</u>	<u>5,105,000</u>	<u>13,451,308</u>	<u>6,458,808</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 1,703,412</u>	<u>1,135,761</u>	<u>\$ 2,839,173</u>	<u>\$ 2,839,173</u>
Fund balance, beginning			<u>1,703,412</u>		
Fund balance, ending			<u>\$ 2,839,173</u>		
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			\$ 308		
Special Projects			(6,959)		
Transfers in			5,250,000		
Transfers out			-		
Fund balance , beginning, General Capital Reserve Fund			<u>971,392</u>		
Fund balance, ending , consolidated General Capital Project Fund			<u>\$ 9,053,914</u>		



**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 Year Ended June 30, 2022**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Investment earnings	\$ 2,000	\$ 308	\$ (1,692)
Total revenues	<u>2,000</u>	<u>308</u>	<u>(1,692)</u>
<b>Expenditures</b>			
Public Safety			
Operating Expenses	<u>5,252,000</u>	<u>6,959</u>	<u>5,245,041</u>
Total expenditures	<u>5,252,000</u>	<u>6,959</u>	<u>5,245,041</u>
Revenue over (under) expenditures	<u>(5,250,000)</u>	<u>(6,651)</u>	<u>5,243,349</u>
<b>Other Financing Sources (Uses)</b>			
Operating transfers in	<u>5,250,000</u>	<u>5,250,000</u>	<u>-</u>
Total other financing sources	<u>5,250,000</u>	<u>5,250,000</u>	<u>-</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>5,243,349</u>	<u>\$ 5,243,349</u>
Fund balance, beginning		<u>971,392</u>	
Fund balance, ending		<u>\$ 6,214,741</u>	

## **NON-MAJOR GOVERNMENTAL FUNDS**

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

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

	Special Revenue Funds	Capital Project Funds	Totals June 30, 2022
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,276,815	\$ -	\$ 2,276,815
Restricted cash	132,686	4,214,549	4,347,235
Receivables:			
Property tax	69,970	-	69,970
Accounts receivable	47,118	-	47,118
Due from other governments	75,305	-	75,305
Notes receivable	300	-	300
Total assets	<u>\$ 2,602,194</u>	<u>\$ 4,214,549</u>	<u>\$ 6,816,743</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 46,322	\$ -	\$ 46,322
Total liabilities	<u>179,008</u>	<u>-</u>	<u>179,008</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Taxes Receivable	69,970	-	69,970
Notes Receivable	300	-	300
Total deferred inflows of resources	<u>70,270</u>	<u>-</u>	<u>70,270</u>
Fund balances:			
Restricted:			
Stabilization by state statute	122,723	-	122,723
Public safety	922,229	-	922,229
Capital Projects	-	4,214,549	4,214,549
Human services	127,724	-	127,724
Community development	1,180,240	-	1,180,240
Unassigned	-	-	-
Total fund balances	<u>2,352,916</u>	<u>4,214,549</u>	<u>6,567,465</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,602,194</u>	<u>\$ 4,214,549</u>	<u>\$ 6,816,743</u>

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

	Special Revenue Funds	Capital Project Funds	Totals June 30, 2022
<b>Revenues</b>			
Ad valorem taxes	\$ 1,756,232	\$ -	\$ 1,756,232
Restricted intergovernmental	700,725	462,759	1,163,484
Investment earnings	846	1,258	2,104
Total revenues	<u>2,457,803</u>	<u>464,017</u>	<u>2,921,820</u>
<b>Expenditures</b>			
Current:			
General government	233,478	-	233,478
Public safety	1,572,163	-	1,572,163
Human services	114,371	-	114,371
Economic and physical development	25,220	-	25,220
Total expenditures	<u>1,945,232</u>	<u>-</u>	<u>1,945,232</u>
Excess (deficiency) of revenues over expenditures	<u>512,571</u>	<u>464,017</u>	<u>976,588</u>
Other financing sources:			
Transfers in	-	3,045,447	3,045,447
Transfers (out)	(70,411)	(2,471,240)	(2,541,651)
Total other financing sources (uses)	<u>(70,411)</u>	<u>574,207</u>	<u>503,796</u>
Net change in fund balance	442,160	1,038,224	1,480,384
Fund balances, beginning	1,910,756	2,927,374	4,838,130
Prior Period Adjustment (see Note 8)	-	248,951	248,951
Fund balances, beginning, as restated	<u>1,910,756</u>	<u>3,176,325</u>	<u>5,087,081</u>
Fund balances, ending	<u>\$ 2,352,916</u>	<u>\$ 4,214,549</u>	<u>\$ 6,567,465</u>

**Vance County, North Carolina**  
**Non-Major Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2022**

	Emergency Telephone System Fund	Fire District Fund	Economic Development Fund	Neighborhood Development Fund	Representative Payee Fund	Deed of Trust Fund	Fines & Forfeitures Fund	Opioid Settlement Fund	Totals June 30, 2022
<b>ASSETS</b>									
Cash and cash equivalents	\$ 326,563	\$ 641,321	\$ 1,180,540	\$ -	\$ 127,724	\$ 667	\$ -	\$ -	\$ 2,276,815
Restricted Cash	-	-	-	-	-	-	-	132,686	132,686
Receivables:									
Property Tax	-	69,970	-	-	-	-	-	-	69,970
Accounts receivable	14,911	32,207	-	-	-	-	-	-	47,118
Due from other governments	67,662	-	7,643	-	-	-	-	-	75,305
Notes Receivable	-	-	300	-	-	-	-	-	300
Total assets	<u>409,136</u>	<u>743,498</u>	<u>1,188,483</u>	<u>-</u>	<u>127,724</u>	<u>667</u>	<u>-</u>	<u>132,686</u>	<u>2,602,194</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable and accrued liabilities	4,452	41,203	-	-	-	667	-	-	46,322
Unearned revenues	-	-	-	-	-	-	-	132,686	132,686
Total liabilities	<u>4,452</u>	<u>41,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>667</u>	<u>-</u>	<u>132,686</u>	<u>179,008</u>
Deferred inflows of resources									
Taxes receivable	-	69,970	-	-	-	-	-	-	69,970
Notes receivable	-	-	300	-	-	-	-	-	300
Total deferred inflows of resources	<u>-</u>	<u>69,970</u>	<u>300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,270</u>
Fund balances:									
Restricted									
Stabilization by state statute	82,573	32,207	7,943	-	-	-	-	-	122,723
Public safety	322,111	600,118	-	-	-	-	-	-	922,229
Human Services	-	-	-	-	127,724	-	-	-	127,724
Community Development	-	-	1,180,240	-	-	-	-	-	1,180,240
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>404,684</u>	<u>632,325</u>	<u>1,188,183</u>	<u>-</u>	<u>127,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,352,916</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 409,136</u>	<u>\$ 743,498</u>	<u>\$ 1,188,483</u>	<u>\$ -</u>	<u>\$ 127,724</u>	<u>\$ 667</u>	<u>\$ -</u>	<u>\$ 132,686</u>	<u>\$ 2,602,194</u>

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

	Emergency Telephone System Fund	Fire District Funds	Economic Development Fund	Neighborhood Stabilization Fund	Representative Payee Fund	Deed of Trust Fund	Fines & Forfeitures Fund	Opioid Settlement Fund	Totals June 30, 2022
<b>Revenues</b>									
Ad valorem taxes	\$ -	\$ 1,756,232	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,756,232
Restricted intergovernmental	203,223	-	134,575	-	129,449	6,352	227,126	-	700,725
Investment earnings	846	-	-	-	-	-	-	-	846
Total	204,069	1,756,232	134,575	-	129,449	6,352	227,126	-	2,457,803
<b>Expenditures</b>									
General government	-	-	-	-	-	6,352	227,126	-	233,478
Public safety	142,652	1,429,511	-	-	-	-	-	-	1,572,163
Human services	-	-	-	-	114,371	-	-	-	114,371
Economic and community development	-	-	25,220	-	-	-	-	-	25,220
Total	142,652	1,429,511	25,220	-	114,371	6,352	227,126	-	1,945,232
Excess (deficiency) of revenues over expenditures	61,417	326,721	109,355	-	15,078	-	-	-	512,571
Other financing sources (uses):									
Transfers out	-	(135,900)	-	65,489	-	-	-	-	(70,411)
Total other financing sources (uses)	-	(135,900)	-	65,489	-	-	-	-	(70,411)
Net change in fund balance	61,417	190,821	109,355	65,489	15,078	-	-	-	442,160
Fund balances, beginning	343,267	441,504	1,078,828	(65,489)	112,646	-	-	-	1,910,756
Fund balances, ending	\$ 404,684	\$ 632,325	\$ 1,188,183	\$ -	\$ 127,724	\$ -	\$ -	\$ -	\$ 2,352,916

**Vance County, North Carolina**  
**Emergency Telephone System Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2022**

	2022		Variance
	Budget	Actual	Positive (Negative)
<b>Revenues</b>			
Restricted intergovernmental	\$ 178,934	\$ 203,223	\$ 24,289
Investment earnings	1,000	846	(154)
Total	<u>179,934</u>	<u>204,069</u>	<u>24,135</u>
<b>Expenditures</b>			
Public safety			
E-911 Fund			
Operating expenditures	156,000	104,210	51,790
Capital outlay	285,000	38,442	246,558
Debt Services			
Principal retirement	-	-	-
Interest expense	-	-	-
Total expenditures	<u>441,000</u>	<u>142,652</u>	<u>298,348</u>
Revenue over (under) expenditures	<u>(261,066)</u>	<u>61,417</u>	<u>322,483</u>
<b>Other Financing Sources (Uses)</b>			
Transfer to general fund	-	-	-
Fund Balance Appropriated	<u>261,066</u>	<u>-</u>	<u>(261,066)</u>
Total other financing sources (uses)	<u>261,066</u>	<u>-</u>	<u>(261,066)</u>
Revenues and other financing sources over (under) expenditures	\$ <u><u>-</u></u>	61,417	\$ <u><u>61,417</u></u>
Fund balance, beginning		<u>343,267</u>	
Fund balance, ending		\$ <u><u>404,684</u></u>	

**Vance County, North Carolina**  
**Fire District Fund**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2022**

	2022		Variance
	Budget	Actual	Positive (Negative)
<b>Revenues</b>			
Ad valorem tax	\$ 1,655,995	\$ 1,756,232	\$ 100,237
Total Revenues	<u>1,655,995</u>	<u>1,756,232</u>	<u>100,237</u>
<b>Expenditures</b>			
Public Safety			
Contracted Services	1,507,945	1,324,171	183,774
Capital Outlay	114,000	105,340	8,660
Total Expenditures	<u>1,621,945</u>	<u>1,429,511</u>	<u>192,434</u>
Revenue over (under) expenditures	<u>34,050</u>	<u>326,721</u>	<u>292,671</u>
Other financing sources (uses):			
Transfer to general fund	(135,900)	(135,900)	-
Fund Balance Appropriated	<u>101,850</u>	<u>-</u>	<u>(101,850)</u>
Total Other Financing Sources (Uses)	<u>(34,050)</u>	<u>(135,900)</u>	<u>(101,850)</u>
Revenues and other financing sources over (under) expenditures	\$ <u>-</u>	190,821	\$ <u>190,821</u>
Fund balance, beginning		<u>441,504</u>	
Fund balance, ending		\$ <u>632,325</u>	



**Vance County, North Carolina**  
**Economic Development Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2022**

	2022		Variance
	Budget	Actual	Positive (Negative)
<b>Revenues</b>			
Restricted Intergovernmental			
Lease income	\$ 110,249	\$ 110,249	\$ -
Golden Leaf Foundation	1,607,000	-	(1,607,000)
Triangle North Revenue Sharing	-	10,266	10,266
Homer Trust Funds	96,408	12,260	(84,148)
Town of Middleburg Loan	3,600	1,800	(1,800)
Total revenues	<u>1,817,257</u>	<u>134,575</u>	<u>(1,682,682)</u>
<b>Expenditures</b>			
Economic and physical development			
Special projects- economic incentives	1,817,257	20	1,817,237
Contracted Services	<u>-</u>	<u>25,200</u>	<u>(25,200)</u>
Total expenditures	<u>1,817,257</u>	<u>25,220</u>	<u>1,792,037</u>
Revenue over (under) expenditures	<u>-</u>	<u>109,355</u>	<u>109,355</u>
<b>Other Financing Sources (Uses)</b>			
Transfer to general fund	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenue and other sources over (under) expenditures	\$ <u>-</u>	109,355	\$ <u>109,355</u>
Fund balance, beginning		<u>1,078,828</u>	
Fund balance, ending		<u>\$ 1,188,183</u>	

**Vance County, North Carolina**  
**Neighborhood Stabilization Fund**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2022**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals to Date</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>					
Restricted intergovernmental					
Federal grants					
Neighborhood Stabilization grant	\$ 2,100,000	\$ 1,467,541	\$ -	\$ 1,467,541	\$ (632,459)
Total Revenues	<u>2,100,000</u>	<u>1,467,541</u>	<u>-</u>	<u>1,467,541</u>	<u>(632,459)</u>
<b>Expenditures</b>					
Economic and 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	<u>2,100,000</u>	<u>1,533,030</u>	<u>-</u>	<u>1,533,030</u>	<u>566,970</u>
Revenue over (under) expenditures	<u>-</u>	<u>(65,489)</u>	<u>-</u>	<u>(65,489)</u>	<u>(65,489)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers from other funds	<u>-</u>	<u>-</u>	<u>65,489</u>	<u>65,489</u>	<u>65,489</u>
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>65,489</u>	<u>65,489</u>	<u>65,489</u>
Revenue over (under) expenditures and Other Financing Sources	<u>\$ -</u>	<u>\$ (65,489)</u>	65,489	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>(65,489)</u>		
Fund balance, ending			<u>\$ -</u>		

**Vance County, North Carolina**  
**Representative Payee Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2022**

	2022		Variance
	Budget	Actual	Positive (Negative)
<b>Revenues</b>			
Restricted intergovernmental	\$ 120,000	\$ 129,449	\$ 9,449
			-
<b>Expenditures</b>			
Human Services			
Payments made for the benefit of			
beneficiaries	120,000	114,371	5,629
			-
<b>Other Financing Sources (Uses)</b>			
Fund Balance Appropriated	-	-	-
Net change in fund balance	\$ -	15,078	\$ 15,078
Fund balance, beginning		112,646	
Fund balance, ending		\$ 127,724	

**Vance County, North Carolina**  
**Deed of Trust Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2022**

	2022		Variance
	Budget	Actual	Positive (Negative)
<b>Revenues</b>			
Restricted intergovernmental	\$ 125,000	\$ 6,352	\$ (118,648)
			-
<b>Expenditures</b>			
General Government			
Payments of fees collected to the			
State of NC	125,000	6,352	118,648
			-
<b>Other Financing Sources (Uses)</b>			
Fund Balance Appropriated	-	-	-
Net change in fund balance	\$ -	-	\$ -
Fund balance, beginning		-	
Fund balance, ending		\$ -	

**Vance County, North Carolina**  
**Fines and Forfeitures Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2022**

	2022		Variance
	Budget	Actual	Positive (Negative)
<b>Revenues</b>			
Restricted intergovernmental	\$ 240,000	\$ 227,126	\$ (12,874)
			-
<b>Expenditures</b>			
General Government			
Payments of penalties, fines, and			
forfeitures to the Board of			
Education	240,000	227,126	12,874
			-
<b>Other Financing Sources (Uses)</b>			
Fund Balance Appropriated	-	-	-
Net change in fund balance	\$ -	-	\$ -
Fund balance, beginning		-	
Fund balance, ending		\$ -	

**Vance County, North Carolina**  
**Opioid Settlement Funds**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2022**

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Totals to Date	Positive (Negative)
Revenues					
Restricted intergovernmental					
Opioid Settlement Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-
Expenditures					
Human Services					
Administration	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Revenue over (under) expenditures	\$ -	\$ -	-	\$ -	\$ -
Fund balance, beginning			-		
Fund balance, ending			\$ -		

## **CAPITAL PROJECTS FUND**

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

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**Vance County, North Carolina**  
**Non-major Governmental Funds - Capital Project Funds**  
**Combining Balance Sheet**  
**June 30, 2022**

	School Capital Projects Fund	Totals June 30, 2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ -
Restricted Cash	4,214,549	4,214,549
Total assets	<u>\$ 4,214,549</u>	<u>\$ 4,214,549</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>
Fund balances:		
Restricted		
Capital projects	4,214,549	4,214,549
Unassigned	-	-
Total fund balances	<u>4,214,549</u>	<u>4,214,549</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,214,549</u>	<u>\$ 4,214,549</u>



**Vance County, North Carolina**  
**Non-major Governmental Funds - Capital Project Funds**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended June 30, 2022**

	School Capital Projects Fund	Totals June 30, 2022
<b>Revenues</b>		
Restricted intergovernmental	\$ 462,759	\$ 462,759
Investment earnings	1,258	1,258
Total	<u>464,017</u>	<u>464,017</u>
<b>Expenditures</b>		
Public safety	-	-
Education	-	-
Total	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>464,017</u>	<u>464,017</u>
Other financing sources (uses):		
Installment purchase obligations issued	-	-
Transfers in	3,045,447	3,045,447
Transfers out	(2,471,240)	(2,471,240)
Total other financing sources (uses)	<u>574,207</u>	<u>574,207</u>
Net change in fund balance	1,038,224	1,038,224
Fund balances, beginning	2,927,374	2,927,374
Prior period adjustment (see Note 8)	<u>248,951</u>	<u>248,951</u>
Fund balances, ending	<u>\$ 4,214,549</u>	<u>\$ 4,214,549</u>

**Vance County, North Carolina**  
**Capital Projects Fund - School Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2022**

	Project Authorization	Prior Years	Current Year	Total To Date	Variance Positive (Negative)
<b>Revenues</b>					
Restricted intergovernmental					
Lottery proceeds	\$ 931,154	\$ 1,751,757	\$ -	\$ 1,751,757	\$ 820,603
Vance County Schools contribution	99,026	-	-	-	(99,026)
Investment earnings		18,375	-	18,375	18,375
Total revenues	<u>1,030,180</u>	<u>1,770,132</u>	<u>-</u>	<u>1,770,132</u>	<u>739,952</u>
<b>Expenditures</b>					
Education					
New Clarke Elementary School	14,016,545	13,789,232	-	13,789,232	227,313
Multi-purpose rooms, HVAC	3,952,945	3,651,049	-	3,651,049	301,896
Public School Facility Improvement	2,982,495	2,871,321	-	2,871,321	111,174
NVHS Science Labs	545,850	507,520	-	507,520	38,330
Total	<u>21,497,835</u>	<u>20,819,122</u>	<u>-</u>	<u>20,819,122</u>	<u>678,713</u>
Total Expenditures	<u>21,497,835</u>	<u>20,819,122</u>	<u>-</u>	<u>20,819,122</u>	<u>678,713</u>
Revenue over (under) expenditures	<u>(20,467,655)</u>	<u>(19,048,990)</u>	<u>-</u>	<u>(19,048,990)</u>	<u>1,418,665</u>
<b>Other Financing Sources (Uses)</b>					
Installment purchase obligations	18,924,320	18,924,320	-	18,924,320	-
Operating transfers in	<u>1,543,335</u>	<u>430,435</u>	<u>-</u>	<u>430,435</u>	<u>(1,112,900)</u>
Total other financing sources	<u>20,467,655</u>	<u>19,354,755</u>	<u>-</u>	<u>19,354,755</u>	<u>(1,112,900)</u>
Revenue and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 305,765</u>	<u>-</u>	<u>\$ 305,765</u>	<u>\$ 305,765</u>
Fund balance, beginning			<u>305,765</u>		
Fund balance, ending			<u>\$ 305,765</u>		
Amounts reported for revenues, expenditures, and changes in fund balance are different from budget/actual statement due to consolidation of the School Capital Reserve Fund:					
Investment earnings			\$ 1,258		
Lottery proceeds			384,776		
Transfers in			3,045,447		
Transfers out			(2,471,240)		
Fund balance , beginning, restated School Capital Reserve Fund			<u>2,870,560</u>		
Fund balance, ending , consolidated School Capital Projects			<u>\$ 4,214,549</u>		

**Vance County, North Carolina**  
**Capital Projects Fund - School Capital Reserve**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2022**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Restricted intergovernmental			
QSCB interest reimbursement	\$ 83,195	\$ 77,983	\$ (5,212)
Lottery proceeds	384,535	384,776	241
Investment earnings	100	1,258	1,158
Total revenues	<u>467,830</u>	<u>464,017</u>	<u>(3,813)</u>
<b>Expenditures</b>			
Education			
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenue over (under) expenditures	<u>467,830</u>	<u>464,017</u>	<u>(3,813)</u>
<b>Other Financing Sources (Uses)</b>			
Operating transfers in	2,212,850	3,045,447	832,597
Operating transfers out	(2,680,680)	(2,471,240)	209,440
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>(467,830)</u>	<u>574,207</u>	<u>1,042,037</u>
Revenue and other financing sources over (under) expenditures	\$ <u>-</u>	1,038,224	\$ <u>1,038,224</u>
Fund balance, beginning		2,621,609	
Prior Period Adjustment (see Note 8)		<u>248,951</u>	
Fund balance, ending		<u>\$ 3,659,833</u>	

## **ENTERPRISE FUNDS**

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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.

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

	2022		Variance
	Budget	Actual	Positive (Negative)
<b>Operating Revenues</b>			
Charges for services			
Household fees	\$ 2,295,000	\$ 2,373,754	\$ 78,754
Warren County manned site	45,000	39,206	(5,794)
Other operating revenues	15,000	26,596	11,596
Total Operating Revenues	2,355,000	2,439,556	84,556
<b>Nonoperating Revenues (Expenditures)</b>			
Federal, state and local grants	7,800	19,690	11,890
NCDOT Reimbursement	-	100,000	100,000
Intergovernmental taxes and fees	108,500	120,641	12,141
Total Nonoperating revenues	116,300	240,331	124,031
Total Revenues	2,471,300	2,679,887	208,587
<b>Operating Expenditures</b>			
Landfill operations			
Salaries and employee benefits	25,782	23,993	1,789
Operating expenditures	2,304,333	2,203,239	101,094
Contracted services	184,600	262,225	(77,625)
Capital outlay	-	1,557	(1,557)
Total	2,514,715	2,491,014	23,701
Debt service			
Debt Principal	-	778	(778)
Interest and other charges	-	2	(2)
Total Debt service	-	780	(780)
Total Operating Expenditures	2,514,715	2,491,794	22,921
Total Revenues over Expenditures	(43,415)	188,093	231,508
Other Financing Sources (uses):			
Lease liabilities issued	-	1,557	1,557
Fund Balance Appropriated	43,415	-	(43,415)
Total Other Financing Sources	43,415	1,557	(41,858)
Revenues and other sources over (under) expenditures	\$ -	189,650	\$ 189,650

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

	2022		Variance Positive (Negative)
	Budget	Actual	
Reconciliation from budgetary basis (modified accrual) to full accrual basis			
Depreciation		(40,230)	
Right to use leased assets		1,557	
Amortization		(778)	
Lease liabilities issued		(1,557)	
Lease liability payments		778	
Increase (decrease) in deferred outflows of resources - pensions		(12,747)	
Increase (decrease) in deferred outflows of resources - OPEB		4,364	
(Increase) decrease in net pension liability		11,499	
(Increase) decrease in OPEB liability		(3,636)	
(Increase) decrease in deferred inflows of resource - pensions		1,248	
(Increase) decrease in deferred inflows of resource - OPEB		5,237	
Decrease in accrued landfill closure costs		83,144	
Total reconciling items		48,879	
Change in net position		\$ 238,529	

**Vance County, North Carolina**  
**Water District Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**For the Year Ended June 30, 2022**

	2022		Variance Positive (Negative)
	Budget	Actual	
<b>Operating Revenues</b>			
Charges for services			
Water sales and connection fees	\$ 1,086,300	\$ 1,216,793	\$ 130,493
Debt setoff Revenue	5,000	755	(4,245)
Other operating Revenues	17,000	33,963	16,963
Total Operating Revenues	<u>1,108,300</u>	<u>1,251,511</u>	<u>143,211</u>
<b>Nonoperating Revenues (Expenditures)</b>			
Investment earnings	2,500	788	(1,712)
Total Nonoperating revenues	<u>2,500</u>	<u>788</u>	<u>(1,712)</u>
 Total Revenues	<u>1,110,800</u>	<u>1,252,299</u>	<u>141,499</u>
<b>Operating Expenditures</b>			
Water Operations			
Purchased water	270,000	252,358	17,642
Operating expenditures	126,435	80,665	45,770
Contracted services	270,000	330,009	(60,009)
Total	<u>666,435</u>	<u>663,032</u>	<u>3,403</u>
 Debt service			
Debt Principal	217,688	217,688	-
Interest and other charges	328,180	328,180	-
Total Debt service	<u>545,868</u>	<u>545,868</u>	<u>-</u>
 Total Operating expenditures	<u>1,212,303</u>	<u>1,208,900</u>	<u>3,403</u>
 Revenues over expenditures	<u>(101,503)</u>	<u>43,399</u>	<u>144,902</u>
 Other financing sources (uses):			
Transfers in	156,078	-	(156,078)
Debt Service Reserve	(54,575)	-	54,575
Total Other financing sources	<u>101,503</u>	<u>-</u>	<u>(101,503)</u>
 Revenues and other sources over (under) expenditures	\$ <u>-</u>	43,399	\$ <u>43,399</u>
 Reconciliation from budgetary basis (modified accrual) to full accrual basis			
Debt principal		217,688	
Depreciation		(416,719)	
Increase in accrued interest		496	
Total reconciling items		<u>(198,535)</u>	
 Change in net position		\$ <u>(155,136)</u>	

**Vance County, North Carolina**  
**Water District Capital Project Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**From Inception and for the Fiscal Year Ended June 30, 2022**

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
<b>Revenues</b>					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Local Match	-	-	-	-	-
Investment Earnings	-	-	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>					
Phase 1b					
Contracted Services	355,000	-	61,340	61,340	293,660
Land Easement	-	-	8,300	8,300	(8,300)
<b>Total Expenditures</b>	<u>355,000</u>	<u>-</u>	<u>69,640</u>	<u>69,640</u>	<u>285,360</u>
<b>Other Financing Sources (Uses)</b>					
USDA Loan	355,000	-	-	-	(355,000)
Operating transfer in	-	-	-	-	-
<b>Total Other Financing Sources</b>	<u>355,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(355,000)</u>
<b>Revenues and other sources over (under) expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (69,640)</u>	<u>\$ (69,640)</u>	<u>\$ (69,640)</u>



## **CUSTODIAL FUNDS**

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

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**Vance County**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2022**

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 81,088	\$ 32,427	\$ 113,515
Taxes receivable for other governments, net	286,557	-	286,557
Total assets	<u>367,645</u>	<u>32,427</u>	<u>400,072</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	-	-	-
Due to other governments	81,088	-	81,088
Total liabilities	<u>81,088</u>	<u>-</u>	<u>81,088</u>
<b>NET POSITION</b>			
Restricted for:			
Individuals, organizations, and other	286,557	32,427	318,984
Total net position	<u>\$ 286,557</u>	<u>\$ 32,427</u>	<u>\$ 318,984</u>

**Vance County**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Year Ending June 30, 2022**

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	<b>Municipal Tax Fund</b>	<b>Jail Inmate Pay Fund</b>	<b>Total Custodial Funds</b>
<b>ADDITIONS</b>			
Ad valorem taxes for other governments	\$ 6,952,887	\$ -	\$ 6,952,887
Collections on behalf of inmates	-	326,702	326,702
Total additions	<u>6,952,887</u>	<u>326,702</u>	<u>7,279,589</u>
<b>DEDUCTIONS</b>			
Tax distributions to other governments	6,949,945	-	\$ 6,949,945
Payments on behalf of inmates	-	329,878	329,878
Total deductions	<u>6,949,945</u>	<u>329,878</u>	<u>7,279,823</u>
Net increase (decrease) in fiduciary net position	2,942	(3,176)	(234)
Net position, beginning	<u>283,615</u>	<u>35,603</u>	<u>319,218</u>
Net position, ending	<u><u>\$ 286,557</u></u>	<u><u>\$ 32,427</u></u>	<u><u>\$ 318,984</u></u>

## **OTHER SCHEDULES**

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This section includes additional information on property taxes.

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**Vance County, North Carolina**  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
**For the Year Ended June 30, 2022**

<u>Fiscal Year</u>	<u>Uncollected Beginning Balance</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Ending Balance</u>
2020-2021	\$ -	\$ 25,912,565	\$ 25,325,543	\$ 587,022
2019-2020	636,693	-	391,981	244,712
2018-2019	271,080	-	127,590	143,490
2017-2018	126,488	-	47,573	78,915
2016-2017	136,097	-	18,246	117,851
2015-2016	131,707	-	9,784	121,923
2014-2015	45,111	-	19,845	25,266
2013-2014	42,489	-	5,026	37,463
2012-2013	56,915	-	6,435	50,480
2011-2012	49,666	-	4,831	44,835
2010-2011	47,452	-	47,452	-
	<u>\$ 1,543,698</u>	<u>\$ 25,912,565</u>	<u>26,004,306</u>	<u>1,451,957</u>

Less: allowance for uncollectible accounts:

General Fund

395,110

Ad valorem taxes receivable - net:

General Fund

\$ 1,056,847

Reconciliation with revenues:

Ad valorem taxes - General Fund

\$ 26,081,016

Reconciling items:

Interest collected

(219,506)

Taxes Written Off

(47,452)

Adjustment / Collection Fees

190,248

Total reconciling items

(76,710)

Total collections and credits

\$ 26,004,306

**Vance County, North Carolina**  
**Analysis of Current Tax Levy**  
**County - wide Levy**  
**For the Year Ended June 30, 2022**

	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	\$ 2,909,130,674	0.890	\$ 25,891,263	\$ 22,325,148	\$ 3,566,115
Penalties	-		33,467	33,467	-
Total	<u>2,909,130,674</u>		<u>25,924,730</u>	<u>22,358,615</u>	<u>3,566,115</u>
Discoveries:					
Current year taxes	2,567,865	0.890	22,854	22,854	-
Prior years taxes	-		125,681	125,681	-
Total	<u>2,567,865</u>		<u>148,535</u>	<u>148,535</u>	<u>-</u>
Abatements/Releases:					
Current year	(16,495,618)	0.890	(146,811)	(146,811)	-
Prior Year	-		(13,889)	(13,889)	-
Total	<u>(16,495,618)</u>		<u>(160,700)</u>	<u>(160,700)</u>	<u>-</u>
Total Property Valuation	\$ <u>2,895,202,921</u>				
Net levy			25,912,565	22,346,450	3,566,115
Uncollected taxes at June 30, 2022 (County Only)			<u>587,022</u>	<u>587,022</u>	<u>-</u>
Current year's taxes collected (includes penalty)			\$ <u>25,325,543</u>	\$ <u>21,759,428</u>	\$ <u>3,566,115</u>
Current levy collection percentage			<u>97.73%</u>	<u>97.37%</u>	<u>100.00%</u>

**Vance County, North Carolina**  
**Analysis of Current Tax Levy**  
**County - wide Levy**  
**For the Year Ended June 30, 2022**

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**Secondary Market Disclosures:**

Assessed Valuation:

Assessment Ratio <sup>1</sup>		100%
Real Property	\$	2,008,574,375
Personal Property		790,206,683
Public Service Companies <sup>2</sup>		96,421,863
Total Assessed Valuation	\$	2,895,202,921
Tax Rate per \$100		0.89
Levy (includes discoveries, releases and abatements) <sup>3</sup>	\$	25,767,306

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:

	\$	1,559,578
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<sup>1</sup> Percentage of appraised value has been established by statute.

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

<sup>3</sup> The levy includes interest and penalties.

**Vance County, North Carolina  
Ten Largest Taxpayers  
For the Year Ended June 30, 2022**

<b>Taxpayer</b>	<b>Type of Business</b>	<b>2021 Assessed Valuation</b>	<b>Percentage of Total Assessed Valuation</b>
I AMS Company	Manufacturing	\$ 68,085,131	2.35%
Duke Energy Progress	Utility	63,234,994	2.18%
DLP Maria Parham Medical	Private Hospital	58,564,838	2.02%
Ardagh Glass Inc.	Manufacturing	48,179,026	1.66%
Wal-Mart Stores East LP	Retail	26,817,904	0.93%
DLP Maria Parham Medical Center	Private Hospital	22,996,196	0.79%
Variety Wholesalers	Retail	19,645,733	0.68%
Carolina Sunrock LLC	Rock Quarry	18,185,901	0.63%
W&W Properties and Rentals LLC	Property Management	16,991,586	0.59%
Wal-Mart Real Estate Bus Trust	Real Estate	12,694,707	0.44%
Total		\$ <u>355,396,016</u>	<u>12.28%</u>



## **COMPLIANCE SECTION**



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

**Independent Auditors' Report**

To the Board of County Commissioners  
Vance County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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 Vance County, North Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprises Vance County's basic financial statements, and have issued our report thereon dated December 30, 2022. Our report includes a reference to other auditors who audited the financial statements of the Vance County ABC Board, as described in our report on the Vance County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Vance County ABC Board were not audited in accordance with *Government Auditing Standards*.

**Report on Internal Control Over Financial Reporting**

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs [2022-002] to be material weaknesses.

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A significant deficiency is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items [2022-001, 2022-003] to be significant deficiencies.

#### Report on 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items [2022-001].

#### Purpose of this Report

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

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

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
December 30, 2022



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

**Independent Auditors' Report**

To the Board of County Commissioners  
Vance County, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, the 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, 2022.

Basis for Opinion on Each Major Federal Program

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

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### Responsibilities of Management for Compliance

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

### Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Vance County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Vance County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Vance County's internal control over compliance. Accordingly, no such opinion is expressed.

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

### Report on Internal Control Over Compliance

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

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

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

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

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

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

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

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
December 30, 2022



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

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Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

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

**Independent Auditors' Report**

To the Board of County Commissioners  
Vance County, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

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

In our opinion, 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, 2022.

Basis for Opinion on Each Major State Program

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

Members

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

### Responsibilities of Management for Compliance

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

### Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Vance County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Vance County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Vance County's internal control over compliance. Accordingly, no such opinion is expressed.

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

### Report on Internal Control Over Compliance

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



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

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

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

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

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

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

---

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
December 30, 2022

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

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**Section I. Summary of Auditors' Results**

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

Noncompliance material to financial statements noted

  yes   X  no

Federal Awards

Internal control over major federal programs:

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

Noncompliance material to federal awards

  yes   X  no

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

  X  yes   no

Identification of major federal programs:

<u>CFDA #</u>	<u>Program Name</u>
93.568	Low Income Energy Assistance
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B Programs

\$ 750,000

Auditee qualified as low-risk auditee?

  X  yes   no



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

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**Section II. Financial Statement Findings (continued)**

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**Finding: 2022-002**

**Prior Period Adjustments**

**MATERIAL WEAKNESS**

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

Condition: Prior period adjustments were made to the General Fund that increased fund balance by \$737,029. These adjustments were to record the June 2021 local option sales tax receivable, which increased fund balance by \$1,040,377; to record the June 2021 franchise tax distribution receivable, which increased fund balance by \$27,440; to record prior period transfers that should have been reflected to transfer restricted sales tax associated with the June 2021 local option sales tax, which decreased fund balance by \$248,951, and to fix other receivable and payable misspostings that did not clear out from prior years. Prior period adjustments were made to the Solid Waste Fund to accrue the June 2021 distributions for White Goods, Scrap Tire, and Solid Waste, increasing net position by a total of \$31,534. A prior period adjustment was made to the School Capital Reserve to transfer the restricted portion of sales tax associated with the June 2021 local option sales tax which increased fund balance by \$248,951.

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

Cause: Entries that should be part of the year-end close were overlooked. The County understood that the accrual for August was for June sales, not realizing that the distribution received in September was actually for June sales.

Recommendation: The County should review the ledger and financial documents regularly to ensure that necessary adjustments are made timely during the year.

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

**Finding: 2022-003**

**Reconciliation of Records**

**SIGNIFICANT DEFICIENCY**

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting and ensure the timeliness of financial reporting.

Condition: In reviewing records and testing certain account balances, we noted that several accounts were not reconciled/adjusted timely to include the reconciling to the subsidiary ledgers for EMS Receivables, Water Receivables, Solid Waste Receivables, Taxes Receivable, and Accrued Wages. Also, entries were not made to record custodial fund activity as required by GASB 84.

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

---

**Section II. Financial Statement Findings (continued)**

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Effect:	The County's management and other users of the financial statements do not have accurate and timely information for decision making and monitoring of the county's financial position and adherence to laws, regulations, and other requirements. Errors in financial reporting could occur and not be detected, and fraud risks increase with delays in reconciliation of key accounts.
Cause:	Entries that should be part of the year-end close were overlooked. Finance should ensure that the balance sheet accounts are all reconciled to subsidiary ledgers, and that year-end entries are made to properly reflect balances. The adjustment of balance sheet items often leads to changes in revenues and expenditures, which management relies on to make decisions.
Recommendation:	The County should evaluate the allocation of internal resources dedicated to financial reporting to ensure adequate resources are available for timely account reconciliations, year-end close and annual financial reporting purposes. Management should consult with outside accountants or auditors if additional assistance is required in order to prepare for the annual audit, or to determine appropriate accounting for complex transactions.
Views of responsible officials and planned corrective actions:	The County agrees with this finding.

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**Section III. Federal Award Findings and Questioned Costs**

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**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: 2022-004**

**IV-D Cooperation with Child Support**

**SIGNIFICANT DEFICENCY**

Eligibility

Criteria:	In accordance with the Medicaid Manual MA-3365, all Medicaid cases should be evaluated and referred to the Child Support Enforcement Agency (IV-D). The Child Support Enforcement Agency (IV-D) can assist the family in obtaining financial and/or medical support or medical support payments from the child's non-custodial parent. Cooperation requirement with Social Services and Child Support Agencies must be met or good cause for not cooperating must be established when determining Medicaid eligibility.
Condition:	There were 4 errors discovered during our procedures that referrals between DSS and Child Support Agencies were not properly made.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.

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

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

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Context:	We examined 60 from total of 875,261 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to North Carolina Families Accessing Services through Technology (NC FAST) and a participant could have been approved for benefits for which they were not eligible.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2021-003.
Cause:	Human error in reading the Automated Collection and Tracking System (ACTS) report and/or ineffective case review process.
Recommendation:	Files should be reviewed internally to ensure proper information is in place and necessary procedures are taken when determining eligibility. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding.

**U.S. Department of Health and Human Services**

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

**Finding: 2022-005                      Inaccurate Information Entry**

**SIGNIFICANT DEFICIENCY**

**Eligibility**

Criteria:	In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits.
Condition:	There were 10 errors discovered during our procedures that inaccurate information was entered when determining eligibility.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 from total of 875,261 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

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

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

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Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2021-004.
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.

**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: 2022-006                      Inaccurate Resources Entry**

**SIGNIFICANT DEFICIENCY**

**Eligibility**

Criteria:	In accordance with Medicaid Manual MA-2230, Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or noncountable resources and explained within the documentation.
Condition:	There were 6 errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 from total of 875,261 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

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

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

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Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2021-005.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding.

**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: 2022-007                      Untimely Review of SSI Termination**

**SIGNIFICANT DEFICIENCY**

**Eligibility**

Criteria:	In accordance with the Medicaid Manual MA-3120, the State sends notification to the County when a participant is no longer eligible under Supplemental Security Income (SSI) determination, the County is required to initiate the ex parte review within 5 workdays of the date the termination appears on the SSI Termination Report, and complete the redetermination within 4 months of the month the case appears on the SSI Termination Report and notify the recipient about applicant's ongoing eligibility for Medicaid.
Condition:	There was 1 applicant/beneficiary not reviewed timely and determined to be eligible for Medicaid when their SSI benefits were terminated, for which the recipient was not eligible.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 from total of 875,261 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	The County did not initiate ex parte review timely, therefore, no eligibility review was completed in the required time period. The lack of follow up and certification lead to applicants receiving Medicaid benefits for which they were not eligible.



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

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

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Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2021-006.
Cause:	Ineffective communication between departments within the Department of Social Services. One area within DSS received State communications that applicants would no longer be eligible for SSI benefits and the County needed to conduct an application process. This information was not shared with other departments in DSS from which the recipient was also receiving benefits.
Recommendation:	Any State communications related to applicants' benefits received by any DSS department should be shared with all areas from which the participant receives benefits. State files should be reviewed internally to ensure all actions have been properly closed and the corrective action has been taken. Workers should be retrained on what process needs to be followed when State communications are received.
Views of responsible officials and planned corrective actions:	The County agrees with the finding.

**U.S. Department of Health and Human Services**

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

**Finding: 2022-008                      Inadequate Request for Information**

**SIGNIFICANT DEFICENCY**

**Eligibility**

Criteria:	In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. Electronic matches are required at applications and redeterminations.
Condition:	There were 19 errors discovered during our procedures that inadequate information was requested at applications and/or redeterminations.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 from total of 875,261 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and applicants could have been approved for benefits for which they were not eligible.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2021-007.

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

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

---

Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources and income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding.

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**Section IV. State Award Findings and Questioned Costs**

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

SIGNIFICANT DEFICIENCY: Finding 2022-004, 2022-005, 2022-006, 2022-007, and 2022-008 also apply to State requirements and State Awards.



# COUNTY OF VANCE, NORTH CAROLINA

122 YOUNG STREET, SUITE B  
HENDERSON, NORTH CAROLINA 27536

JORDAN McMILLEN  
COUNTY MANAGER  
(252) 738-2002

KELLY H. GRISSOM  
CLERK TO BOARD  
(252) 738-2003

## Corrective Action Plan For the Year Ended June 30, 2022

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### Section II - Financial Statement Findings

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#### Finding 2022-001

Name of contact person: Katherine Bigelow, Finance Director

Corrective Action: Due to unexpected expenditures at the year end, budget amendments were not adopted timely. Better oversight and planning will occur to make sure this doesn't happen in the future.

Proposed Completion Date: Ongoing.

#### Finding 2022-002

Name of contact person: Katherine Bigelow, Finance Director

Corrective Action: Due to turnover and lack of training time for new employee caused this error. Better oversight and training will occur to make sure this doesn't happen in the future.

Proposed Completion Date: Ongoing.

#### Finding 2022-003

Name of contact person: Katherine Bigelow, Finance Director

Corrective Action: Due to turnover and lack of training time for new employee caused this error. Better oversight and training will occur to make sure this doesn't happen in the future.

Proposed Completion Date: Ongoing.

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### Section III - Federal Award Findings and Question Costs

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#### Finding 2022-004

Name of contact person: Goldie Davis, IM Program Manager

Corrective Action: Refresher training for staff will be conducted on when a IV-D referral is required. Documentation Template revised to indicate the reason a IV-D referral was not sent.

Proposed Completion Date: Training will be completed by 12/31/2022.



## COUNTY OF VANCE, NORTH CAROLINA

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HENDERSON, NORTH CAROLINA 27536

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COUNTY MANAGER  
(252) 738-2002

KELLY H. GRISSOM  
CLERK TO BOARD  
(252) 738-2003

### Corrective Action Plan For the Year Ended June 30, 2022

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

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##### Finding 2022-005

Name of contact person: Goldie Davis, IM Program Manager

Corrective Action: Documentation Checklist Template will be revised to include the date property, vehicles, Register of Deeds, and the Work Number are run/verified. Medicaid caseworkers will receive additional training on the revised Documentation Checklist template. Supervisors will continue to complete second party reviews to determine accuracy of evidence entered into NCFast and to ensure new Documentation Checklist is being utilized correctly.

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

Proposed Completion Date: November 30, 2022.

##### Finding 2022-006

Name of contact person: Goldie Davis, IM Program Manager

Corrective Action: Resource refresher training will be completed. The training will include appropriate verification methods for countable and non-countable resources. Second Party reviews will continue to be completed.

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

Proposed Completion Date: November 30, 2022.

##### Finding 2022-007

Name of contact person: Goldie Davis, IM Program Manager

Corrective Action: SSI Plan was amended July 1, 2022. Time standards implemented to initiate exparte review within three workdays and complete the exparte review by the State's deadline.

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



## COUNTY OF VANCE, NORTH CAROLINA

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(252) 738-2002

KELLY H. GRISSOM  
CLERK TO BOARD  
(252) 738-2003

### **Corrective Action Plan For the Year Ended June 30, 2022**

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

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##### **Finding 2022-008**

Name of contact person: Goldie Davis, IM Program Manager

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

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

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#### **Section IV - State Award Findings and Question Costs**

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Corrective Action Plan for Finding 2022-004, 2022-005, 2022-006, 2022-007, and 2022-008 also apply to State Awards findings.

**VANCE COUNTY, NORTH CAROLINA**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2022**

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Finding 2021-001

Status Corrected

Finding 2021-002

Status Corrected

Finding 2021-003

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

Finding 2021-004

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

Finding 2021-005

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

Finding 2021-006

Status This finding is not corrected, repeated as 2022-007

Finding 2021-007

Status This finding is not corrected, repeated as 2022-008

Finding 2021-008

Status Corrected.

**Vance County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Year Ended June 30, 2022**

<b>Grantor/Pass-through Grantor/Program Title</b>	<b>Federal Assistance Listing No.</b>	<b>State/ Pass-through Grantor's Number</b>	<b>Fed (Direct &amp; Pass-through Expenditures</b>	<b>State Expenditures</b>	<b>Provided to Subrecipients</b>	<b>Local Expenditures</b>
<b>Federal Awards:</b>						
<u>U. S. Department of Agriculture</u>						
Passed-through N.C. Dept of Health and Human Services:						
Division of Social Services:						
Administration:						
State Administrative Matching Grants for the	10.561		\$ 569,247	\$ -	\$ -	\$ 569,247
FNS - ARPA	10.561		76,748	-	-	-
FNS - CAA	10.561		28,188	-	-	-
Total Supplemental Nutrition Assistance Program			674,183	-	-	569,247
Total U.S. Dept. of Agriculture			674,183	-	-	569,247
<u>U.S. Department of Homeland Security</u>						
Passed -through N.C. Department of Public Safety						
Division of Emergency Management						
Emergency Management Performance Grant	97.042		55,118	-	-	-
Total U.S. Department of Homeland Security			55,118	-	-	-
<u>U.S. Dept. of Health and Human Services</u>						
Passed-through Kerr-Tar Regional Council of Governments						
Division of Aging and Adult Services:						
Family Caregiver Support	93.052		3,972	198	-	-
<u>Aging Cluster:</u>						
Special Programs for the Aging Title IIIB						
Grants for Supportive Services and Senior Centers	93.044		84,741	4,985	-	-
COVID-19 Special Programs for the Aging Title IIIB	93.044		15,316	-	-	-
Special Programs for the Aging - Title III C						
Nutrition Services	93.045		35,204	2,071	-	-
Family First Nutrition Services	93.045		22,075	-	-	-
Nutrition Services Incentive Program	93.053		14,593	-	-	-
Total Aging Cluster			171,929	7,056	-	-
Division of Social Services:						
<u>Temporary Assistance for Needy Families (TANF) Cluster</u>						
TANF-Work First	93.558		420,057	-	-	656,566
Total TANF Cluster			420,057	-	-	656,566
Family Preservation	93.556		1,935	-	-	-
<u>Foster Care and Adoption Cluster</u>						
Foster Care - Title IV-E	93.658		216,684	31,718	-	139,440
Adoption Assistance	93.659		579	-	-	579
Foster Care	N/A		39,902	-	-	-
Total Foster Care and Adoption Cluster			257,165	31,718	-	140,019
Child Support Enforcement	93.563		587,275	-	-	302,536
Refugee Assistance Admin	93.566		117	-	-	-
Low Income Energy Assistance						
Administration	93.568		39,003	-	-	-
Energy Assistance Payments	93.568		1,157,072	-	-	-
Crisis Intervention Program	93.568		269,302	-	-	-
LIEAP ARPA	93.568		429,402	-	-	-
LIEAP ARPA ADMIN	93.568		51,960	-	-	-
LIWHAP ADM	93.568		15,214	-	-	-
LIWHAP CAA	93.568		128,442	-	-	-
Total Low-Income Home Energy Assistance			2,090,395	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program						
Permanency Planning - Families for Kids	93.645		8,072	-	-	2,691
Chafee Foster Care Independence Program	93.674		599	150	-	-
SSBG - Other Service and Training	93.667		282,180	-	-	94,059

**Vance County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Year Ended June 30, 2022**

<b>Grantor/Pass-through Grantor/Program Title</b>	<b>Federal Assistance Listing No.</b>	<b>State/ Pass-through Grantor's Number</b>	<b>Fed (Direct &amp; Pass-through Expenditures</b>	<b>State Expenditures</b>	<b>Provided to Subrecipients</b>	<b>Local Expenditures</b>
Division of Aging and Adult Services:						
Social Service Block Grant	93.667		29,589	853		
Division of Social Services:						
SSBG - State In-Home Services	93.667		56,734	-	-	8,105
Total Social Service Block Grant			368,503	853	-	102,164
<b>Administration for Children and Families</b>						
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		116,709	-	-	-
Total Subsidized Child Care Cluster (Note 4)			116,709	-	-	-
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	1,205,859	431	-	501,231
Total Medical Assistance Program			1,205,859	431	-	501,231
Division of Social Services						
Administration						
State Children's Insurance Program - N.C. Health C	93.767		30,211	(16)	-	6,812
Total U.S. Dept. of Health and Human Services			5,262,798	40,390	-	1,712,019
Total Federal Awards			\$ 5,992,099	\$ 40,390	\$ -	\$ 2,281,266
<b>State Awards:</b>						
<b>N.C. Department of Administration</b>						
Veterans Service			-	2,109	-	-
Total N. C. Department of Administration			-	2,109	-	-
<b>N.C. Dept. of Health and Human Services</b>						
Division of Social Services:						
Non Allocating County Cost			-	-	-	81,242
Work First Non Reimbursable			-	-	-	(1,009)
County Fund Programs			-	-	-	365,492
St Child Welfare/CPS/CS			-	103,843	-	-
DCD Smart Start			-	38,933	-	-
Energy Assist Private			-	2,862	-	-
AFDC Incentive Program Integrity			-	20	-	-
IV-B EFT CHAF INDEP LIV			-	30,000	-	-
SFHF Maximization			-	42,804	-	36,088
State Foster Home			-	48,240	-	40,727
Total Division of Social Services			-	266,702	-	522,540
Passed-through Kerr-Tar Regional Council of Governments						
Division of Aging and Adult Services						
State Appropriation			-	10,693	-	-
HCCBG-Access			-	3,090	-	-
HCCBG-Home Delivery Meals			-	92,687	-	-
HCCBG-In-Home Support Services			-	117,149	-	-
Total Division of Aging and Adult Services			-	223,619	-	-
Total N.C. Dept. of Health and Human Services			-	490,321	-	522,540
<b>N.C. Dept. of Environmental Quality</b>						
Division of Waste Management						
Scrap Tire Fund SWMG			-	2,125	-	-
Electronics Management			-	6,065	-	-
Recycling Grant			-	11,500	-	-
Abandoned Manufactured Homes Grant			-	8,500	-	-
Total of N.C. Dept. of Environmental Quality			-	28,190	-	-



**Vance County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Year Ended June 30, 2022**

<b>Grantor/Pass-through Grantor/Program Title</b>	<b>Federal Assistance Listing No.</b>	<b>State/ Pass-through Grantor's Number</b>	<b>Fed (Direct &amp; Pass-through Expenditures</b>	<b>State Expenditures</b>	<b>Provided to Subrecipients</b>	<b>Local Expenditures</b>
<u>N.C. Department of Public Safety</u>						
Sheriff Assistance Fund			-	84,270	-	-
Juvenile Crime Prevention Commission						
JCPC Admin			-	3,990	-	-
Henderson-Vance Prevention Services			-	15,815	-	-
Boys and Girls Club			-	28,383	-	-
Youth Villages			-	42,072	-	-
Total of N.C. Dept. of Public Safety			-	90,260	-	-
<u>N.C. Department of Insurance</u>						
SHIIP Grant			-	4,585	-	-
Total of N.C. Department of Insurance			-	4,585	-	-
<u>N.C. Department of Transportation</u>						
ROAP Cluster						
		DOT-16CL				
ROAP - RGP		36228.22.10.1	-	97,130	-	-
		DOT-16CL				
ROAP - EDTAP		36220.10.10.1	-	42,605	-	-
Total ROAP Cluster			-	139,735	-	-
Total N.C. Department of Transportation			-	139,735	-	-
<u>N.C. Department of Public Instruction</u>						
Public School Building Capital Fund-Lottery Proceeds			-	384,776	-	-
Total N.C. Department of Public Instruction			-	384,776	-	-
Total State Awards			\$ -	\$ 1,224,246	\$ -	\$ 522,540
Total Federal and State Awards			\$ 5,992,099	\$ 1,264,636	\$ -	\$ 2,803,806

Notes to the Schedule of Expenditures of Federal and State Awards

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Vance County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2022. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Vance County, it is not intended to and does not present the financial position, changes in net position or cash flows of Vance County.

**Note 2: Summary of Significant Accounting Policies**

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

**Note 3: Indirect Cost Rate**

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

**Note 4: Cluster of Programs**

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

**Note 5: Benefit Payments Issued by the State**

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

<u>Program Title</u>	<u>AL No.</u>	<u>Federal</u>	<u>State</u>
Supplemental Nutrition Assistance	10.551	\$ 42,750,060	\$ -
Special Supplemental Nutrition			
Program for Women Infant and	10.557	1,269,428	-
Temporary Assistance for Needy	93.558	327,925	-
TANF -PEAF	93.558	78,500	
Adoption Assistance	93.659	115,456	21,556
Children's Health Insurance	93.767	972,349	203,380
Medical Assistance Program	93.778	119,659,014	45,456,903
Child Welfare Services Adoption		-	91,455
SC/SA Domiciliary Care		-	243,751