

**TENTATIVE AGENDA & MEETING NOTICE
BOARD OF COUNTY COMMISSIONERS**

**TUESDAY, FEBRUARY 20, 2017
5:30 P.M.**

**WATAUGA COUNTY ADMINISTRATION BUILDING
COMMISSIONERS' BOARD ROOM**

TIME	#	TOPIC	PRESENTER	PAGE
5:30	1	CALL REGULAR MEETING TO ORDER		
	2	APPROVAL OF MINUTES: February 6, 2018, Regular Meeting February 6, 2018, Closed Session		1
	3	APPROVAL OF THE FEBRUARY 20, 2018, AGENDA		11
5:35	4	PROPOSED HEALTH DEPARTMENT BUILDING RENOVATION CHANGE ORDER	MR. ROBERT MARSH	13
5:40	5	REQUEST TO SUBMIT A GRANT PRE-APPLICATION TO NC RECREATIONAL TRAILS PROGRAM FOR MIDDLE FORK GREENWAY, SECTION 4	MR. JOE FURMAN	27
5:45	6	TAX MATTERS A. Monthly Collections Report B. Refunds & Releases C. Tax Lien Report	MR. LARRY WARREN	29 31 39
5:50	7	FINANCE MATTERS A. Budget Amendments B. Vaya Health Quarterly Report C. Vaya Heath FY 2017 Audit Report	MS. MARGARET PIERCE	41 43 47
5:55	8	MISCELLANEOUS ADMINISTRATIVE MATTERS A. Revision to The Resolution Ordering The Referendum For A Quarter-Cent Local Option Sales Tax With The Proceeds To Be Utilized For A 2 Cent Property Tax Rate Reduction In Watauga County B. Boards and Commissions C. Announcements	MR. DERON GEOUQUE	107 109 125
6:00	9	PUBLIC COMMENT		126
7:00	10	BREAK		126
7:05	11	CLOSED SESSION Attorney/Client Matters – G. S. 143-318.11(a)(3) Land Acquisition – G. S. 143-318.11 Personnel Matters – G. S. 143-318.11(a)(6)		126
7:25	12	POSSIBLE ACTION AFTER CLOSED SESSION		126
7:30	13	ADJOURN		

AGENDA ITEM 2:

APPROVAL OF MINUTES:

February 6, 2018, Regular Meeting

February 6, 2018, Closed Session

DRAFT**MINUTES****WATAUGA COUNTY BOARD OF COMMISSIONERS
TUESDAY, FEBRUARY 6, 2017**

The Watauga County Board of Commissioners held a regular meeting, as scheduled, on Tuesday, February 6, 2018, at 8:30 A.M. in the Commissioners' Board Room of the Watauga County Administration Building, Boone, North Carolina.

PRESENT: John Welch, Chairman
Billy Kennedy, Vice-Chairman
Jimmy Hodges, Commissioner
Larry Turnbow, Commissioner
Perry Yates, Commissioner
Anthony di Santi, County Attorney
Deron Geouque, County Manager
Anita J. Fogle, Clerk to the Board

Chairman Welch called the meeting to order at 8:30 A.M.

Commissioner Yates opened with a prayer and Vice-Chairman Kennedy led the Pledge of Allegiance.

APPROVAL OF MINUTES

Chairman Welch called for additions and/or corrections to the January 16, 2018, regular meeting and closed session minutes.

Vice-Chairman Kennedy, seconded by Commissioner Hodges, moved to approve the January 16, 2018, regular meeting minutes as presented.

VOTE: Aye-5
Nay-0

Vice-Chairman Kennedy, seconded by Commissioner Hodges, moved to approve the January 16, 2018, closed session minutes as presented.

VOTE: Aye-5
Nay-0

APPROVAL OF AGENDA

Chairman Welch called for additions and/or corrections to the February 6, 2018, agenda.

Vice-Chairman Kennedy, seconded by Commissioner Yates, moved to approve the February 6, 2018, agenda as presented.

VOTE: Aye-5
Nay-0

COOPERATIVE EXTENSION UPDATE

Ms. Paige Patterson, Cooperative Extension, presented an update on activities of the Watauga County Cooperative Extension. Ms. Patterson reviewed various classes held at the Extension; shared information on a demo growing site for asparagus, blueberries, and raspberries; and stated that the Christmas tree farms had record sales in 2017 and shared their success through donations to Western Youth Network. Ms. Patterson thanked the Board for its support of the Extension. The report was for information only; therefore no action was required.

WATAUGA COUNTY PUBLIC LIBRARY ANNUAL REPORT

Ms. Monica Caruso, County Librarian, presented the Watauga County Public Library Annual Report. The report was for information only; therefore, no action was required.

PROPOSED APPOINTMENT OF HOME & COMMUNITY CARE BLOCK GRANT (H&CCBG) ADVISORY COMMITTEE AND LEAD AGENCY

Ms. Angie Boitnotte stated that each year the Board is required to appoint a lead agency and advisory committee to make recommendations on how to best expend the County's allocation from the Home and Community Care Block Grant (H&CCBG) funds. H&CCBG funds were established by the Older American's Act and were administered by the North Carolina Division of Aging.

The following were recommended for appointment to the committee: Commissioner Yates, the Area Agency on Aging Director, Julie Wiggins, Linda Bretz, Vanessa Brumfield, Murray Hawkinson, Tom Hughes, Jennifer Greene, Margie Mansure, Sarah McKethan, Pat Coley, Kat Danner, Sherry Harmon, Gail Hawkinson, Bob Parker, Dr. Ed Rosenberg, and Betty Wyse. Commissioner Yates was appointed to this Committee at the December 5, 2017, Board of Commissioners meeting.

Vice-Chairman Kennedy, seconded by Commissioner Hodges, moved to waive the second reading and appoint the Area Agency on Aging Director, Julie Wiggins, Linda Bretz, Vanessa Brumfield, Murray Hawkinson, Tom Hughes, Jennifer Greene, Margie Mansure, Sarah McKethan, Pat Coley, Kat Danner, Sherry Harmon, Gail Hawkinson, Bob Parker, Dr. Ed Rosenberg, and Betty Wyse to the Home and Community Care Block Grant Advisory Committee.

VOTE: Aye-5
Nay-0

Vice-Chairman Kennedy, seconded by Commissioner Yates, moved to appoint the Watauga County Project on Aging as the Lead Agency for Home and Community Care Block Grant funds.

VOTE: Aye-5
Nay-0

**ECONOMIC DEVELOPMENT COMMISSION'S RECOMMENDATION ON
APPALACHIAN THEATRE'S REQUEST FOR FUNDS**

Mr. Joe Furman, Planning and Inspections Director, presented a recommendation from the Economic Development Commission (EDC) that the Board of Commissioners provide a one-time allocation in the amount of \$25,000 to Appalachian Theatre. This is in response to the Theatre's previous request for \$100,000 annually for a ten (10) year period. The County has allocated \$10,000 for the past three (3) years.

Mr. Furman stated that in the time since the request was originally made, the Theatre's project has been scaled back. The EDC had requested a new proposal from the Theatre; however, one has not been presented. It is an eligible EDC project.

County Manager Geouque stated that should the Board wish to grant the request, two funding options were available. The first option would be to fund the request from the EDC Capital Reserve Account. The second option would be to fund the request from County's fund balance. Staff's recommendation would be for the allocation to come from the EDC Capital Reserve Account as this would be an appropriate expense and the purpose for which the account was established.

Vice-Chairman Kennedy, seconded by Commissioner Turnbow, moved to award a one-time contribution to the Appalachian Theatre, in the amount of \$25,000, to be allocated from Economic Development Commission Capital Reserve Account.

VOTE: Aye-5
Nay-0

BUDGET AMENDMENTS

Ms. Margaret Pierce, Finance Director, reviewed the following budget amendments:

Account #	Description	Debit	Credit
103991-399100	Fund Balance Appropriated		\$5,496,615
109800-498099	Transfer to Recreation Center Capital Project Fund	\$5,496,615	
493980-398000	Transfer from General Fund		\$5,496,615
496120-458000	Capital Outlay – Building	\$5,496,615	

The amendment recognized Board action, on December 5, 2017, to transfer the FY 2017 increase in unassigned fund balance plus an additional \$5,000,000 to the Recreation and Community Center Capital Project Fund.

103910-391003	Sale of Fixed Asset		\$18,319,000
104199-469149	Loan to ASU on Property Transfer	\$18,319,000	
103910-391000	Loan from ASU on Property Transfer		\$2,819,000
104199-457000	Property Purchase from ASU	\$2,819,000	

The amendment recognized transactions for purchase of Appalachian State University (ASU) property for the new Recreation and Community Center and sale of the old Watauga High School (WHS) property. Board action was taken on April 7, 2017, and the purchase was finalized on September 28, 2017.

103300-343309	Homeland Security Grant for Equipment	\$1,000
104330-449901	Homeland Security Grant for Equipment	\$1,000

The amendment recognized Board action on January 16, 2018, for a grant to purchase equipment.

Vice-Chairman Kennedy, seconded by Commissioner Turnbow, moved to approve the budget amendments as presented by Ms. Pierce.

VOTE: Aye-5
Nay-0

MISCELLANEOUS ADMINISTRATIVE MATTERS

A. Resolution Ordering The Referendum For A Quarter-Cent Local Option Sales Tax With The Proceeds To Be Utilized For A 2 Cent Property Tax Rate Reduction In Watauga County

County Manager Geouque stated that, at the Annual Budget Retreat, the Board discussed conducting a special referendum for a one-quarter percent local option sales tax. In the event that the one-quarter percent local option sales tax is successful the proceeds would be used to reduce the current property tax rate of \$0.353 by two (2) cents for a new rate of \$0.333. A proposed resolution was presented requesting the Board of Elections conduct a special referendum for the one-quarter percent local option sales tax by placing it on the ballot for May 17, 2018.

Chairman Welch read the wording as it would appear on the ballot:

"[] FOR [] AGAINST
Local sales and use tax at the rate of one-quarter percent (0.25%) in addition to all other
State and local sales and use taxes."

County Manager Geouque stated that NC General Statutes govern the exact wording for the ballot and stated that the proposed use of income generated could not be included.

If the voters pass the referendum and the Board of Commissioners wishes to levy the tax, it must provide 10 days public notice of its intent to adopt a resolution to levy the tax. After it adopts the resolution, it must send a certified copy of the resolution along with a certified copy of the election results of the referendum to the Department of Revenue.

The earliest the sales tax may become effective is on the first day of any calendar quarter so long as the County gives the Secretary of Revenue at least 90 days' advance notice. For example, if a

referendum is held in May during the general election and passes, the earliest a county could begin collecting the revenue would be October.

After discussion, Commissioner Yates, seconded by Commissioner Hodges, moved to adopt the resolution as presented.

VOTE: Aye-5
Nay-0

B. Tentative Agenda for Annual Pre-Budget Retreat

After verifying Commissioner calendars prior to the meeting, County Manager Geouque presented the dates of February 19, from 12:00 P.M. to 7:00 P.M., and February 21, from 8:30 A.M. to 1:00 P.M., for the Annual Pre-Budget Retreat. The County Manager presented a draft agenda for review. The agenda is still in draft form and may change between now and the retreat based on input from the Board or the County Manager receiving additional items for consideration.

Vice-Chairman Kennedy, seconded by Commissioner Yates, moved to hold the Annual Pre-Budget Retreat on February 19, 2018, beginning at 12:00 P.M. and reconvening on February 21, 2018, at 8:30 A.M.

VOTE: Aye-5
Nay-0

C. Boards and Commissions

County Manager Geouque presented the following nominations:

AppalCART

The Town of Boone recommends the appointment of Ms. Connie Ulmer and Mr. Marshall Ashcraft as Town representatives on AppalCART's Board. County Manager Geouque stated that the AppalCART Board does not have alternates and, therefore, he would ask the Town to send one nomination.

Watauga County Board of Adjustment

The terms of Bill Ragan, Baxter Palmer and Todd Rice expired in November. All three are willing to continue to serve if reappointed. NC Statutes require a representative (resident) of each zoned area in counties that have partial-county zoning such as Watauga. Mr. Rice represents the Valle Crucis Historic District, which is a small area with limited population, therefore small pool of potential representatives. Mr. Palmer is the alternate member and is the representative of the Foscoe-Grandfather zoned area. Mr. Ragan resides in the Howard Creek Watershed, which is not a zoned area in the traditional sense, but since the watershed ordinance was adopted under zoning authority, the County has attempted to appoint residents of those areas when possible.

The Pond Creek (Beech Mountain) Watershed Ordinance was not adopted under zoning authority as it is not large enough to qualify for partial-county zoning. Adam Rhyne resides in the South Fork New River/Winkler Creek/Middle Fork watershed (the boundaries adjoin and form one larger watershed-regulated area). David Hill and Charles Phillips are at-large members. Those 3 terms are not expiring this year. The new South Fork New River Watershed for the new Boone water intake does not have a representative.

Volunteer applications have been received from Mr. John Prickett, Mr. Joe Quinn, and Mr. Michael Moore. All three have requested to serve on the Board of Adjustment. These are first readings.

County Manager Geouque stated that upon review, Mr. Moore's application indicates he lives in the Foscoe-Grandfather Community. He does not live within the zoned area or the community council designated area.

Economic Development Commission

Mr. Robert Hoffman recently resigned from the Economic Development Commission (EDC) due to relocation. His term expires in June 2020. A volunteer application has been received from Mr. Wallace Greer who has requested to serve on the EDC. If appointed, he would fill the unexpired term which ends on June 30, 2020.

Vice-Chairman Kennedy, seconded by Commissioner Yates, moved to appoint Mr. Wallace Greer to fill an un-expired term on the Economic Development Commission (EDC) with his term to expire on June 30, 2020.

VOTE: Aye-5
Nay-0

Watauga County Nursing Home Community Advisory Committee

Mr. Fred Badders' term expired January 20, 2018, on the Watauga County Nursing Home Community Advisory Committee. He is willing to continue to serve an additional three-year term if reappointed.

Vice-Chairman Kennedy, seconded by Commissioner Yates, moved to reappoint Mr. Fred Badders to a three-year term on the Watauga County Nursing Home Community Advisory Committee.

VOTE: Aye-5
Nay-0

Adult Care Home Community Advisory Committee

Mr. Harold Eller's term will expire March 3, 2018, on the Watauga County Adult Care Home Community Advisory Committee. He is willing to continue to serve an additional three-year term if reappointed. This is a first reading.

Tourism Development Authority (TDA)

The terms of Mr. Jim Neustadt and Mr. Brad Moretz will expire February 28, 2018. The two seats must be occupied by someone representing a business that collects the occupancy tax in Watauga County. Mr. Wright Tilley, Watauga County TDA Director, has stated that both are willing to continue to serve an additional three-year term if reappointed. This is a first reading.

WAMY Community Action

Ms. Joy Coffey's final term as a Public Sector representative for Watauga County ends on February 8, 2018. Ms. Melissa Soto, Executive Director of WAMY, requests a Commissioner or appointee be appointed to fill the four-year term. This is a first reading.

Commissioner Turnbow requested that the Boards and Commissions listed be advertised requesting volunteers to serve.

D. Announcements

County Manager Geouque announced the following:

- A public hearing is scheduled for Tuesday, February 20, 2018, at 5:00 P.M. to allow for citizen comment on a proposed Parks and Recreation Trust Fund (PARTF) grant application.
- Senator Ballard will be visiting the Project on Aging on February 12, 2018, at 1:30 P.M. to learn more about and tour the Senior Center and to meet the staff.

PUBLIC COMMENT

There was no public comment.

CLOSED SESSION

At 9:27 A.M., Commissioner Turnbow, seconded by Commissioner Hodges, moved to enter Closed Session to discuss Attorney/Client Matters, per G. S. 143-318.11(a)(3) and Personnel Matters, per G. S. 143-318.11(a)(6).

VOTE: Aye-5
Nay-0

Vice-Chairman Kennedy, seconded by Commissioner Turnbow, moved to resume the open meeting at 9:54 A.M.

VOTE: Aye-5
Nay-0

POSSIBLE ACTION AFTER CLOSED SESSION

There was no action after Closed Session.

ADJOURN

Commissioner Hodges, seconded by Commissioner Turnbow, moved to adjourn the meeting at 9:54 A.M.

John Welch, Chairman

ATTEST:
Anita J. Fogle, Clerk to the Board

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AGENDA ITEM 3:

APPROVAL OF THE FEBRUARY 20, 2018, AGENDA

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AGENDA ITEM 4:**PROPOSED HEALTH DEPARTMENT BUILDING RENOVATION CHANGE ORDER****MANAGER'S COMMENTS:**

Mr. Robert Marsh will present Change Order number two regarding the health department renovations. The Board previously approved Change Order number one (1) which was the upgrade from standard carpet to carpet tiles. Change Order number two (2) includes the raising of two (2) electrical boxes and lowering data outlets to accommodate new base cabinets; installation of new ball valves/cutoffs for the water distribution lines for the upper level floor area; and the addition of three (3) circuit/outlets. Total cost of the Change Order is \$2,150.29. Funds are available in the current \$20,000 contingency to cover the expense. However, Randy Jones will reimburse the County \$1,423.29 for a net expense of \$727 to the County.


Board approval is requested to approve Change Order number two (2) in the amount of \$2,150.29 with the funds to come from the project contingency with Randy Jones to reimburse \$1,423.29.



WATAUGA COUNTY MAINTENANCE DEPARTMENT

969 West King St., Boone, NC 28607 - Phone (828) 264-1430
Fax (828) 264-1473

TO: Deron Geouque, County Manager

FROM: Robert Marsh, Maintenance Director 

DATE: February 13, 2018

RE: Health Department Renovations / Change Order Number 2

BACKGROUND

In October 2017 VPC Builders was awarded a contract to renovate a large section of the top floor of the Health Department and a small section of the main level. The justification for this project was to relocate several departments in order to make the best use of this space. Currently, the Environmental Health technicians have been relocated to the offices where the Tax Appraisers worked until being relocated back into the Courthouse. Planning and Inspections, Veteran Services and Red Cross will be moving into the space formerly occupied by Environmental Health.

The contractor has made good progress and has received substantial completion within the time specified by the contract documents. During the course of construction, the County requested an upgrade of the carpet which led to the issuance of Change Order Number 1. In December, several electrical and plumbing items surfaced which required a quick response from the County so progress would not be delayed. County staff and the architect approved the additional work which included the addition of several dedicated electrical receptacles and a remote plumbing valve.

The architect has performed a pre-final inspection and issued substantial completion. The contractor has received a punch list, and move-in date will be established once the contractor and staff are satisfied that all punch list items have been corrected.

RECOMMENDATION

Staff recommends the Board approve Change Order Number Two in the amount of \$2,150.29. Randy Jones, Project Architect, has agreed to share in the cost of this change order in the amount of \$1,423.29. Net cost to the county with Mr. Jones' contribution is \$727.

FISCAL IMPACT

The contract contains a \$20,000 contingency which is sufficient to cover the cost of this additional work.

AIA Document G701™ – 2017

Change Order

PROJECT: <i>(name and address)</i> Renovations to the Watauga County Health Department 126 Poplar Grove Connector, Boone, NC	CONTRACT INFORMATION: Contract For: General Contract Date: October 2, 2017	CHANGE ORDER INFORMATION: Change Order Number: 002 Date: February 1, 2018
OWNER: <i>(name and address)</i> Watauga County 814 West King St. Boone, NC 28607	ARCHITECT: <i>(name and address)</i> David R. Jones Architecture P.O. Box 1247 Boone, NC 28607	CONTRACTOR: <i>(name and address)</i> VPC Builders, LLC 2059 Tynecastle Rd. Banner Elk, NC 28604

THE CONTRACT IS CHANGED AS FOLLOWS:

(Insert a detailed description of the change and, if applicable, attach or reference specific exhibits. Also include agreed upon adjustments attributable to executed Construction Change Directives.)

REFER TO ATTACHED VPC CHANGE ORDER REQUESTS & DAVID R. JONES ARCHITECTURE LETTER:

Original Contingency Allowance in Contract Sum	\$20,000.00	VPC Change Order Request Number 3	\$580.69
Previously Approved C.O. #1	- 2,913.30	VPC Change Order Request Number 4	\$146.31
Total This C.O. #2	- 2,150.29	VPC Change Order Request Number 6	\$1,423.29
Remaining Contingency Allowance Balance	\$14,936.41	TOTAL C.O. #2 REQUESTS	\$2,150.29

Orig. Contract Sum \$159,183.00 - Remaining Conting. Allow. Bal. \$14,936.41 = New Contract Sum \$144,246.59

The original	Contract Sum	was		\$ <u>159,183.00</u>
		The net change by previously authorized Change Orders		\$ <u>0.00</u>
The	Contract Sum	prior to this Change Order was		\$ <u>159,183.00</u>
The	Contract Sum	will be decreased by this Change Order in the amount of		\$ <u>14,936.41</u>
The new	Contract Sum	, including this Change Order, will be		\$ <u>144,246.59</u>
The Contract Time will be unchanged by zero (0) days.				
The new date of Substantial Completion will be February 12, 2018				

NOTE: This Change Order does not include adjustments to the Contract Sum or Guaranteed Maximum Price, or the Contract Time, that have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

David R. Jones Architecture ARCHITECT <i>(Firm name)</i> SIGNATURE	VPC Builders, LLC CONTRACTOR <i>(Firm name)</i> SIGNATURE	Watauga County OWNER <i>(Firm name)</i> SIGNATURE
David R. Jones, AIA, Project Arch. PRINTED NAME AND TITLE 2/1/2018 DATE	Matt Vincent, Owner PRINTED NAME AND TITLE 2.1.18 DATE	Deron Geouque, County Manager PRINTED NAME AND TITLE DATE

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David R. Jones Architecture

285 Deer Crest Lane
P.O. Box 1247
Boone, North Carolina 28607
828-386-4088

February 1, 2018

Mr. Deron Geouque, County Manager
Watauga County
814 West King Street
Boone, North Carolina 28607

PROJECT: Watauga County Health Department Renovations
PROJECT #: 2017-3
RE: Recommendation to Approve Change Order Number 2

Dear Mr. Geouque and Watauga County Commissioners:

The Health Department Renovation project is nearing completion and with that there are some proposed Change Order #2 items that require approval.

The following is a list of VPC Change Order Requests 3, 4 and 6 and copies are attached:

VPC Change Order Request Number 3: Raise two (2) electrical outlets and lower data outlets to accommodate new base cabinet at Nurses' Break Area. Outlets were hidden behind existing cubicle panels during design.

VPC Change Order Request Number 4: Installed some new ball valves/cutoffs for the water distribution lines for the upper level floor area. New cutoffs will allow better maintenance convenience when making repairs in the area.

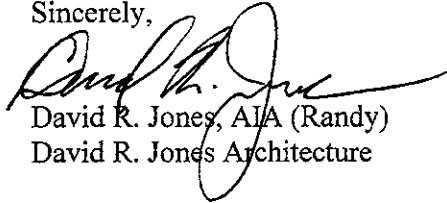
VPC Change Oder Request Number 6: Add one (1) circuit/outlet for new microwave in Workroom 255, Add two (2) circuits for a microwave and refrigerator in Workroom 205. Work includes conduit homeruns to panelboards.

VPC Change Order Request Number 3	\$580.69
VPC Change Order Request Number 4	\$146.31
VPC Change Order Request Number 6	\$1,423.29
TOTAL CHANGE ORDER REQUESTS FOR C.O. NUMBER 2	\$2,150.29
Original Contingency Allowance in Contract Sum	\$20,000.00
Previously Approved Change Order #1	- 2,913.30
Total This Change Order #2	- 2,150.29
REMAINING CONTINGENCY ALLOWANCE BALANCE	\$14,936.41

Original Contract Sum	\$159,183.00
<u>Remove Remaining Contingency Allowance Balance (deduct) -</u>	<u>14,936.41</u>
New Final Contract Sum	\$144,246.59

I hereby recommend approval of Change Order Number 2 in the amount of \$2,150.29 and approval to remove/deduct the Remaining Unused Contingency Allowance Balance of \$14,246.59, creating the New Final Contract Sum of \$144,246.59. If anyone has any questions, please feel free to give me a call.

Sincerely,



David R. Jones, AIA (Randy)
David R. Jones Architecture



Change Order Request

Number: 3

Project Name: **Renovations and the Relocation of Other Watauga County Departments and Agencies for the Watauga County Health Department**

Change Order Scope of Work:

This change order request is for work to raise up two receptacles and lower data outlets to accommodate new cabinet top.

Change Order Request Total: **\$580.69**

2059 Tynecastle Road | Banner Elk, NORTH CAROLINA 28604
O | 828.295.0707 · F | 828.832.3882 · spitts.vpc@gmail.com ·
WWW.VPCBUILDERS.COM

Contractor VPC Builders 2058 Tynecastle Road Banner EK, NC 28604 Phone # 828-295-0707 Fax # 828-832-3862 Email: splits.vpc@gmail.com	Project Information Renovations and the Relocation of Other Watauga County Departments and Agencies for the Watauga County Health Department	Scope Of Work Raise up two existing receptacles and lower data outlets for new cabinets in break 142
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Description	Quantity	Labor Rate	Labor Total	Labor Burden	Material Unit Cost	Material Price	Material Freight	Taxes on Material & Freight	Rental Equip Unit Cost	Rental Equip Price	Rental Delivery & Pick up	Taxes on Rental Equip	Sub-contractor Cost	Total	Overhead	Subtotal	Profit	TOTALS
				40%											10%		5%	
Mobilization														\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Labor																		
Project Management	1	35.00	\$35.00	\$14.00										\$49.00	\$4.90	\$53.90	\$2.70	\$56.60
Project Superintendent	1	35.00	\$35.00	\$14.00										\$49.00	\$4.90	\$53.90	\$2.70	\$56.60
Materials																		
						\$0.00		\$0.00						\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Rental Equipment																		
										\$0.00		\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subcontractors																		
Whitson Electric	1												\$425.00	\$425.00	\$42.50	\$467.50	\$0.00	\$467.50
TOTALS			\$70.00	\$28.00		\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$425.00	\$523.00	\$62.30	\$575.30	\$5.39	\$580.69
			Total Labor	Total Labor Burden		Total Materials	Total Freight	Total Tax on Mat. & Freight		Total Rental Equipment	Total Delivery	Total Tax on Rentals	Total Sub Work	Total	Total Overhead		Total Profit	Total Price

Whitson Electric Company

Commercial · Industrial · Residential · Institutional

PO Box 591 Spruce Pine, NC 28777

Phone 828-765-9700 Fax 828-765-2415

Change Order

November 3, 2017

Attn:
Mr. Scott Pitts
VPC Builders
P-828-295-0707
F-828-832-3882
Banner Elk NC.

Project Watauga Health Department Boone

Scope Of Work

We propose to furnish materials and labor to raise up 2 existing receptacles and lower data outlets to accommodate new cabinet top.

Materials include

Raceways
Wire
Boxes

Total quote-----\$425.00

Respectfully Submitted

Approved By:

Gary Holcombe
Whitson Electric
828-765-9700
wecoestimation@bellsouth.net

Date:



Change Order Request

Number: 4

Project Name: **Renovations and the Relocation of Other Watauga County Departments and Agencies for the Watauga County Health Department**

Change Order Scope of Work:

This change order request is for installing ball valves and press fit tee's on the distribution branch lines serving a portion of the second and third floor water lines.

Change Order Request Total: **\$146.31**

Contractor VPC Builders 2059 Tynecastle Road Banner Elk, NC 28604 Phone # 828-285-0707 Fax # 828-832-3882 Email: spitts.vpc@gmail.com	Project Information Renovations and the Relocation of Other Watauga County Departments and Agencies for the Watauga County Health Department	Scope Of Work Install ball valves and press fit tee's on the distribution branch lines serving a portion of the second and third floor water lines
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Description	Quantity	Labor Rate	Labor Total	Labor Burden	Material Unit Cost	Material Price	Material Freight	Taxes on Material & Freight	Rental Equip Unit Cost	Rental Equip Price	Rental Delivery & Pick up	Taxes on Rental Equip	Sub-contractor Cost	Total	Overhead	Subtotal	Profit	TOTALS	
Mobilization				40%										\$0.00	10%	\$0.00	5%	\$0.00	\$0.00
Labor																			
Project Management	1	35.00	\$35.00	\$14.00										\$49.00	\$4.90	\$53.90	\$2.70	\$56.60	
Materials																			
						\$0.00		\$0.00						\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Rental Equipment																			
										\$0.00		\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Subcontractors																			
Jeff's Plumbing and Repair	1												\$81.56	\$81.56	\$8.16	\$89.72	\$0.00	\$89.72	
TOTALS			\$35.00	\$14.00		\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$81.56	\$130.56	\$13.06	\$143.62	\$2.70	\$146.31	
			Total Labor	Total Labor Burden		Total Materials	Total Freight	Total Tax on Mat. & Freight		Total Rental Equipment	Total Delivery	Total Tax on Rentals	Total Sub Work	Total	Total Overhead		Total Profit	Total Price	

Jeff's Plumbing & Repair, Inc.

Proposal

P.O. Box 54

Boone, NC 28607-2860

Ph. (828) 264-5406 Fax (828) 264-6134

NC License #12926 P-1, RFSC

Proposal Number	Effective Date
1270	11/3/2017
Job Name	
VPC Builders - Wata Health Dept	
Job Site	
US HWY 421 N BOONE, NC 28607	
Job Phone	
Salesman:	

To: VPC BUILDERS
2059 TYNECASTLE RD
BANNER ELK, NC 28604

We hereby submit specifications and estimates for:

CHANGE ORDER #1

We request a Change Order in the amount of \$81.56 for the installation of 2- 3/4" press fit lead free ball valves and 2- 3/4" x 1/2" press fit Tee's, to be installed on the distribution branch lines serving a portion of the second and third floor water lines.

Payment to be made as follows:

Payment shall be in accordance with the existing contract.

WE PROPOSE hereby to furnish material and labor in accordance with the above specifications, for the sum of:

Eighty-one and 56 / 100 Dollars

\$81.56

All material is guaranteed to be as specified. All work to be completed in a professional manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be adjusted only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Worker's Compensation Insurance. Owner shall be responsible for all collection costs including all reasonable and customary Attorney's Fees and other charges associated with nonpayment of invoices.

Authorized Signature: *Jeffrey C. Voss* 11-3-2017

This proposal may be withdrawn by contractor at any time prior to acceptance, and will become void if above work is not performed within thirty (30) days of effective date.

ACCEPTANCE OF PROPOSAL - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment shall be as outlined above. A SERVICE CHARGE of 1.5% per month (18% PER ANNUM) will be applied to all unpaid and past due amounts.

Signature: _____

Signature: _____

Date of Acceptance: _____

Check No.: _____ Amount: _____

Contractor VPC Builders 2059 Tynecastle Road Banner Elk, NC 28604 Phone # 828-295-0707 Fax # 828-832-3882 Email: spitts.vpc@gmail.com	Project Information Renovations and the Relocation of Other Watauga County Departments and Agencies for the Watauga County Health Department	Scope Of Work Add one circuit for microwave in breakroom #255 Add one circuit for refrigerator in breakroom #208 Each circuit to have a separate homerun
--	--	--

Description	Quantity	Labor Rate	Labor Total	Labor Burden	Material Unit Cost	Material Price	Material Freight	Taxes on Material & Freight	Rental Equip Unit Cost	Rental Equip Price	Rental Delivery & Pick up	Taxes on Rental Equip	Sub-contractor Cost	Total	Overhead	Subtotal	Profit	TOTALS
Mobilization				40%										\$0.00	10%	\$0.00	5%	\$0.00
Labor																		
Project Superintendent	4	35.00	\$140.00	\$56.00										\$196.00	\$19.60	\$215.60	\$10.78	\$226.38
Project Management	1	35.00	\$35.00	\$14.00										\$49.00	\$4.90	\$53.90	\$2.70	\$56.60
Materials																		
						\$0.00		\$0.00						\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Rental Equipment																		
										\$0.00		\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subcontractors																		
Whitson Electric	1												\$1,036.65	\$1,036.65	\$103.67	\$1,140.32	\$0.00	\$1,140.32
TOTALS			\$175.00	\$70.00		\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$1,036.65	\$1,281.65	\$128.17	\$1,409.82	\$13.48	\$1,423.29
			Total Labor	Total Labor Burden		Total Materials	Total Freight	Total Tax on Mat. & Freight		Total Rental Equipment	Total Delivery	Total Tax on Rentals	Total Sub Work	Total	Total Overhead		Total Profit	Total Price

SubTotal Material	=====	\$189.70
Tax 6.75%	=====	\$12.80
Materials Profit 18%	=====	\$34.15
Total on materials	=====	\$236.65

Labor \$50.00 Hr 2 Men x 16 Hrs	=====	\$800.00
Total labor and Materials	=====	\$1,036.65

Respectfully Submitted

Approved By:

Gary Holcombe
Whitson Electric
828-765-9700
wecoestimation@bellsouth.net

Date:

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AGENDA ITEM 5:**REQUEST TO SUBMIT A GRANT PRE-APPLICATION TO NC RECREATION TRAILS PROGRAM FOR MIDDLE FORK GREENWAY, SECTION 4****MANAGER'S COMMENTS:**

Mr. Joe Furman, Planning and Inspections Director, will request Board authorization to submit a pre-application to the North Carolina Recreational Trails Program for the full amount of \$100,000 for the Middle Fork Greenway, Section 4. A pre-application was submitted two years ago, however at that time only unpaved trails were being funded. This is no longer the case. Blue Ridge Conservancy and Middle Fork Greenway will provide the \$25,000 required match. The total estimate for Section 4 is \$1.4 million. \$200,000 has been approved from the North Carolina Division of Water Resources grant and staff has submitted for \$430,000 grant from the North Carolina PARTF. The remaining cost of the project will be covered by Blue Ridge Conservancy through grant funds from Watauga TDA and fundraising efforts.

Board action is required to authorize the submittal of a pre-application to the North Carolina Recreational Trails Program in the amount of \$100,000 for the Middle Fork Greenway, Section 4.

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AGENDA ITEM 6:

TAX MATTERS

A. Monthly Collections Report

MANAGER'S COMMENTS:

Tax Administrator Larry Warren will present the Monthly Collections Report and be available for questions and discussion.

The report is for information only; therefore, no action is required.

Monthly Collections Report

Watauga County

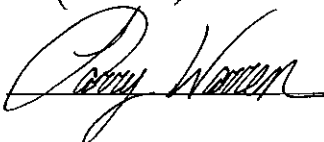
Bank deposits of the following amounts have been made and credited to the account of Watauga County. The reported totals do not include small shortages and overages reported to the Watauga County Finance Officer

Monthly Report January 2018

	<u>Current Month</u> <u>Collections</u>	<u>Current Month</u> <u>Percentage</u>	<u>Current FY</u> <u>Collections</u>	<u>Current FY</u> <u>Percentage</u>	<u>Previous FY</u> <u>Percentage</u>
<u>General County</u>					
Taxes 2017	6,156,508.48	76.86%	28,963,911.75	93.99%	94.13%
Prior Year Taxes	68,497.07		283,795.81		
Solid Waste User Fees	478,420.95	72.02%	2,374,346.50	92.72%	92.30%
Green Box Fees	823.79	NA	4,926.10	NA	NA
Total County Funds	\$6,704,250.29		\$31,626,980.16		
<u>Fire Districts</u>					
Foscoe Fire	94,312.95	79.29%	432,266.36	94.59%	94.44%
Boone Fire	149,385.14	75.97%	838,803.43	94.66%	94.23%
Fall Creek Service Dist.	2,847.71	67.53%	8,273.10	85.89%	88.48%
Beaver Dam Fire	17,795.08	63.57%	92,548.46	90.03%	90.59%
Stewart Simmons Fire	31,805.85	64.46%	200,611.63	91.95%	92.20%
Zionville Fire	17,463.23	62.96%	102,987.13	91.07%	91.85%
Cove Creek Fire	39,400.94	69.13%	218,899.08	92.65%	92.61%
Shawneehaw Fire	17,498.30	67.53%	86,728.39	91.17%	93.07%
Meat Camp Fire	35,994.61	63.78%	193,298.77	91.17%	90.76%
Deep Gap Fire	31,003.27	68.98%	170,945.43	92.53%	93.04%
Todd Fire	11,786.64	72.61%	57,181.78	92.75%	93.65%
Blowing Rock Fire	92,585.29	75.85%	441,942.63	93.75%	95.01%
M.C. Creston Fire	851.50	45.58%	5,326.01	83.72%	85.21%
Foscoe Service District	13,827.90	79.55%	68,545.11	95.17%	95.43%
Beech Mtn. Service Dist.	410.23	36.34%	992.28	59.59%	97.32%
Cove Creek Service Dist.	225.15	100.00%	324.15	100.00%	100.00%
Shawneehaw Service Dist	963.97	60.96%	5,888.12	90.05%	74.13%
	\$555,310.05		\$2,917,288.76		
<u>Towns</u>					
Boone	1,373,337.02	86.19%	5,708,861.96	96.28%	95.94%
Municipal Services	24,468.66	68.41%	124,462.21	91.68%	92.01%
Boone MV Fee	0.00	NA	0.00	NA	NA
Blowing Rock	0.00	NA	0.00	NA	NA
Seven Devils	0.00	NA	0.00	NA	NA
Beech Mountain	0.00	NA	0.00	NA	NA
Total Town Taxes	\$1,397,805.68		\$5,833,324.17		
Total Amount Collected	\$8,657,366.02		\$40,377,593.09		



Tax Collections Director



Tax Administrator

AGENDA ITEM 6:

TAX MATTERS

B. Refunds and Releases

MANAGER'S COMMENTS:

Mr. Warren will present the Refunds and Releases Report. Board action is required to accept the Refunds and Releases Report.

01/31/2018 16:18
Larry.Warren

WATAUGA COUNTY
RELEASES - 01/01/2018 TO 01/31/2018

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OWNER NAME AND ADDRESS	CAT YEAR PROPERTY REASON	BILL	EFF DATE	JUR	REF NO	VALUE	CHARGE	AMOUNT
1410976 ANDREWS, GLENN D JR AND PAULANNE 130 BIRCHWOOD DR BOONE, NC 28607	RE 2017 2920-34-6878-000 TAX RELEASES HOUSE IS CONDEMNED BECAUSE OF FOUNDATION	42851	01/31/2018	F02	6350	157,600	F02 G01 SWF	94.56 556.33 80.00 <hr/> 730.89
1767575 C A M TRUCKING CARROLL ALONZO MORETZ 3517 MEAT CAMP RD BOONE, NC 28607	PP 2017 2177 TAX RELEASES OVER ASSESSMENT BY TEC	1198	01/31/2018	F09	6374	5,000	F09 G01	2.50 17.65 <hr/> 20.15
1767575 C A M TRUCKING CARROLL ALONZO MORETZ 3517 MEAT CAMP RD BOONE, NC 28607	PP 2017 2178 TAX RELEASES OVER ASSESSMENT BY TEC	1199	01/31/2018	F09	6375	55,000	F09 G01	27.50 194.15 <hr/> 221.65
1765570 CONSERVATION TRUST OF NORTH CAROLINA 1028 WASHINGTON ST RALEIGH, NC 27605	RE 2017 2961-83-6128-000 TAX RELEASES CONSERVATION TRUST OF NC IS EXEMPT	48775	01/31/2018	F10	6377	0	F10 G01	186.10 1,313.87 <hr/> 1,499.97
1077395 HICKS, WALTER MACK 246 DUSTY RD BOONE, NC 28607-7993	RE 2017 2921-62-2905-000 TAX RELEASES RECEIVES ELDERLY EXEMPTION	43749	01/31/2018	F02	6376	76,800	F02 G01	46.08 271.10 <hr/> 317.18
1547397 KEISTLER, PENELOPE D 570 KIRBY BRANCH ROAD ZIONVILLE, NC 28698	RE 2017 1984-32-6959-000 TAX RELEASES FAILED TO RECEIVE OA EXEMPTION	19523	01/31/2018	F06	6349	42,700	F06 G01	21.35 150.73 <hr/> 172.08
1119262 NORRIS, BOBBY JOE 5731 COBLE CHURCH ROAD JULIAN, NC 27283-9118	PP 2017 352016700 TAX RELEASES MH LISTED UNDER HOUCK, KENDALL NORRIS	1970	01/31/2018	F09	6379	0	F09 G01 SWF F09L G01L	1.72 12.14 80.00 .17 1.21 <hr/> 95.24
1523549 ONEAL, DENNIS EDWIN ONEAL, MARTHA B C/O MARTHA B O'NEAL 108 ROCKING HOUSE LN4 BLOWING ROCK, NC 28605	RE 2017 2818-15-2047-000 TAX RELEASES FAILED TO RECEIVE OA EXEMPTION	26450	01/31/2018	F12	6378	160,850	F12 G01	80.43 567.80 <hr/> 648.23

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Larry.Warren

WATAUGA COUNTY
RELEASES - 01/01/2018 TO 01/31/2018

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OWNER NAME AND ADDRESS	CAT YEAR PROPERTY REASON	BILL	EFF DATE	JUR	REF NO	VALUE	CHARGE	AMOUNT
1553937 RANDALL MILLER CO, INC 2947 BAMBOO RD PO BOX 1262 BOONE, NC 286078726	PP 2017	1222	01/31/2018			8,000	F02	4.80
	2201			F02			G01	28.24
	TAX RELEASES OVER ASSESSMENT BY TEC				6354			33.04
1553937 RANDALL MILLER CO, INC 2947 BAMBOO RD PO BOX 1262 BOONE, NC 286078726	PP 2017	1223	01/31/2018			60,000	F02	36.00
	2202			F02			G01	211.80
	TAX RELEASES OVER ASSESSMENT BY TEC				6355			247.80
1553937 RANDALL MILLER CO, INC 2947 BAMBOO RD PO BOX 1262 BOONE, NC 286078726	PP 2017	1224	01/31/2018			65,500	F02	39.30
	2203			F02			G01	231.22
	TAX RELEASES OVER ASSESSMENT BY TEC				6356			270.52
1553937 RANDALL MILLER CO, INC 2947 BAMBOO RD PO BOX 1262 BOONE, NC 286078726	PP 2017	1225	01/31/2018			63,350	F02	38.01
	2204			F02			G01	223.63
	TAX RELEASES OVER ASSESSMENT BY TEC				6357			261.64
1553937 RANDALL MILLER CO, INC 2947 BAMBOO RD PO BOX 1262 BOONE, NC 286078726	PP 2017	1226	01/31/2018			68,530	F02	41.12
	2205			F02			G01	241.91
	TAX RELEASES OVER ASSESSMENT BY TEC				6358			283.03
1553937 RANDALL MILLER CO, INC 2947 BAMBOO RD PO BOX 1262 BOONE, NC 286078726	PP 2017	1227	01/31/2018			38,000	F02	22.80
	2206			F02			G01	134.14
	TAX RELEASES OVER ASSESSMENT BY TEC				6359			156.94
1553937 RANDALL MILLER CO, INC 2947 BAMBOO RD PO BOX 1262 BOONE, NC 286078726	PP 2017	1228	01/31/2018			63,530	F02	38.12
	2207			F02			G01	224.26
	TAX RELEASES OVER ASSESSMENT BY TEC				6360			262.38
1553937 RANDALL MILLER CO, INC 2947 BAMBOO RD PO BOX 1262 BOONE, NC 286078726	PP 2017	1229	01/31/2018			45,000	F02	27.00
	2208			F02			G01	158.85
	TAX RELEASES OVER ASSESSMENT BY TEC				6361			185.85
1553937 RANDALL MILLER CO, INC 2947 BAMBOO RD PO BOX 1262 BOONE, NC 286078726	PP 2017	1230	01/31/2018			57,500	F02	34.50
	2209			F02			G01	202.98
	TAX RELEASES OVER ASSESSMENT BY TEC				6362			237.48

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Larry.Warren

WATAUGA COUNTY
RELEASES - 01/01/2018 TO 01/31/2018

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OWNER NAME AND ADDRESS	CAT YEAR PROPERTY REASON	BILL	EFF DATE	JUR	REF NO	VALUE	CHARGE	AMOUNT
1553937 RANDALL MILLER CO, INC 2947 BAMBOO RD PO BOX 1262 BOONE, NC 286078726	PP 2017	1231	01/31/2018			74,790	F02	44.87
	2210			F02			G01	264.01
	TAX RELEASES OVER ASSESSMENT BY TEC				6363			308.88
1553937 RANDALL MILLER CO, INC 2947 BAMBOO RD PO BOX 1262 BOONE, NC 286078726	PP 2017	1232	01/31/2018			72,570	F02	43.54
	2211			F02			G01	256.17
	TAX RELEASES OVER ASSESSMENT BY TEC				6364			299.71
1553937 RANDALL MILLER CO, INC 2947 BAMBOO RD PO BOX 1262 BOONE, NC 286078726	PP 2017	1233	01/31/2018			74,790	F02	44.87
	2212			F02			G01	264.01
	TAX RELEASES OVER ASSESSMENT BY TEC				6365			308.88
1553937 RANDALL MILLER CO, INC 2947 BAMBOO RD PO BOX 1262 BOONE, NC 286078726	PP 2017	1234	01/31/2018			72,570	F02	43.54
	2213			F02			G01	256.17
	TAX RELEASES OVER ASSESSMENT BY TEC				6366			299.71
1553937 RANDALL MILLER CO, INC 2947 BAMBOO RD PO BOX 1262 BOONE, NC 286078726	PP 2017	1235	01/31/2018			81,870	F02	49.12
	2214			F02			G01	289.00
	TAX RELEASES OVER ASSESSMENT BY TEC				6367			338.12
1553937 RANDALL MILLER CO, INC 2947 BAMBOO RD PO BOX 1262 BOONE, NC 286078726	PP 2017	1236	01/31/2018			52,900	F02	31.74
	2215			F02			G01	186.74
	TAX RELEASES OVER ASSESSMENT BY TEC				6368			218.48
1553937 RANDALL MILLER CO, INC 2947 BAMBOO RD PO BOX 1262 BOONE, NC 286078726	PP 2017	1237	01/31/2018			45,000	F02	27.00
	2216			F02			G01	158.85
	TAX RELEASES OVER ASSESSMENT BY TEC				6369			185.85
1553937 RANDALL MILLER CO, INC 2947 BAMBOO RD PO BOX 1262 BOONE, NC 286078726	PP 2017	1238	01/31/2018			81,870	F02	49.12
	2217			F02			G01	289.00
	TAX RELEASES OVER ASSESSMENT BY TEC				6370			338.12
1553937 RANDALL MILLER CO, INC 2947 BAMBOO RD PO BOX 1262 BOONE, NC 286078726	PP 2017	1239	01/31/2018			72,570	F02	43.54
	2218			F02			G01	256.17
	TAX RELEASES OVER ASSESSMENT BY TEC				6371			299.71

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Larry.Warren

WATAUGA COUNTY
RELEASES - 01/01/2018 TO 01/31/2018

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OWNER NAME AND ADDRESS	CAT YEAR PROPERTY REASON	BILL	EFF DATE	JUR	REF NO	VALUE CHARGE	AMOUNT
1553937 RANDALL MILLER CO, INC 2947 BAMBOO RD PO BOX 1262 BOONE, NC 286078726	PP 2017	1240	01/31/2018			45,000	27.00
	2219			F02		G01	158.85
	TAX RELEASES OVER ASSESSMENT BY TEC				6372		185.85
1553937 RANDALL MILLER CO, INC 2947 BAMBOO RD PO BOX 1262 BOONE, NC 286078726	PP 2017	1241	01/31/2018			74,790	44.87
	2220			F02		G01	264.01
	TAX RELEASES OVER ASSESSMENT BY TEC				6373		308.88
1542959 YATES, MAURICE 4100 LIBERTY GROVE CHURCH RD FLEETWOOD, NC 28626-9619	RE 2017	48687	01/31/2018			1,500	.75
	2961-19-8231-000			F10		G01	5.30
	TAX RELEASES DOT RIGHT OF WAY PURCHASE				6351		6.05
1542959 YATES, MAURICE 4100 LIBERTY GROVE CHURCH RD FLEETWOOD, NC 28626-9619	RE 2017	48687	01/31/2018			-1,500	-.75
	2961-19-8231-000			F10		G01	-5.30
	TAX RELEASES DOT RIGHT OF WAY PURCHASE Reversal of release				6352		-6.05
1542959 YATES, MAURICE 4100 LIBERTY GROVE CHURCH RD FLEETWOOD, NC 28626-9619	RE 2017	48687	01/31/2018			1,100	.55
	2961-19-8231-000			F10		G01	3.88
	TAX RELEASES DOT RIGHT OF WAY PURCHASE				6353		4.43
DETAIL SUMMARY	COUNT: 31	RELEASES - TOTAL				1,717,180	8,740.69

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 Larry.Warren

WATAUGA COUNTY
 RELEASES - 01/01/2018 TO 01/31/2018

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RELEASES - CHARGE SUMMARY FOR ALL CLERKS

YEAR	CAT	CHARGE	AMOUNT	
2017	RE	F02	BOONE FIRE RE	140.64
2017	RE	F06	ZIONVILLE FIRE RE	21.35
2017	RE	F10	DEEP GAP FIRE RE	186.65
2017	RE	F12	BLOWING ROCK FIRE RE	80.43
2017	RE	G01	WATAUGA COUNTY RE	2,863.71
2017	RE	SWF	SANITATION USER FEE	80.00
2017	PP	F02	BOONE FIRE PP	730.86
2017	PP	F09	MEAT CAMP FIRE PP	31.72
2017	PP	F09L	MEAT CAMP FIRE LATE LIST	.17
2017	PP	G01	WATAUGA COUNTY PP	4,523.95
2017	PP	G01L	WATAUGA COUNTY LATE LIST	1.21
2017	PP	SWF	SANITATION USER FEE	80.00
			2017 TOTAL	8,740.69
			SUMMARY TOTAL	8,740.69

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Larry.Warren

WATAUGA COUNTY
RELEASES - 01/01/2018 TO 01/31/2018

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RELEASES - JURISDICTION SUMMARY FOR ALL CLERKS

JUR	YEAR	CHARGE	AMOUNT
F02	2017	F02 BOONE FIRE RE	871.50
F02	2017	G01 WATAUGA COUNTY RE	5,127.44
F02	2017	SWF SANITATION USER FEE	80.00
F02 TOTAL			6,078.94
F06	2017	F06 ZIONVILLE FIRE RE	21.35
F06	2017	G01 WATAUGA COUNTY RE	150.73
F06 TOTAL			172.08
F09	2017	F09 MEAT CAMP FIRE PP	31.72
F09	2017	F09L MEAT CAMP FIRE LATE LIST	.17
F09	2017	G01 WATAUGA COUNTY PP	223.94
F09	2017	G01L WATAUGA COUNTY LATE LIST	1.21
F09	2017	SWF SANITATION USER FEE	80.00
F09 TOTAL			337.04
F10	2017	F10 DEEP GAP FIRE RE	186.65
F10	2017	G01 WATAUGA COUNTY RE	1,317.75
F10 TOTAL			1,504.40
F12	2017	F12 BLOWING ROCK FIRE RE	80.43
F12	2017	G01 WATAUGA COUNTY RE	567.80
F12 TOTAL			648.23
SUMMARY TOTAL			8,740.69

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AGENDA ITEM 6:

TAX MATTERS

C. Tax Lien Report

MANAGER'S COMMENTS:

Mr. Warren will review the Tax Lien Report. Board action is requested to accept the report listing delinquent tax bills that are liens on real property and to authorize the advertisement of such liens.

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AGENDA ITEM 7:

FINANCE MATTERS

A. Budget Amendments

MANAGER'S COMMENTS:

Ms. Margaret Pierce, Finance Director, will review budget amendments as included in your packet.

Board approval is requested.



WATAUGA COUNTY FINANCE OFFICE

814 West King St., Suite 216, Boone, NC 28607 Phone (828) 265-8007

MEMORANDUM

TO: Deron T. Geouque, County Manager
FROM: Margaret Pierce, Finance Director
SUBJECT: Budget Amendments - FY 2017/18
DATE: February 13, 2018

The following budget amendments require the approval of the Watauga County Board of Commissioners. Board approval is requested.

<u>Account #</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
103980 398121	Transfer from Capital Projects Fund		25,000
105890 463102	Appalachian Theater	25,000	
213991 399101	Fund Balance Appropriation		25,000
219800 498010	Transfer to General Fund	25,000	

Per Board action 2-6-18; to allocate an additional \$25,000 to the Appalachian Theater project per a request from the EDC.

233991 399101	Fund Balance Appropriation		5,000
234310 423800	Undercover Durg Purchases	5,000	

Per the request of Sheriff Hagaman; to recognize additional funds for use in law enforcement cases as buy money for investigations. These funds are from the State Substance Abuse Tax Fund.

AGENDA ITEM 7:

FINANCE MATTERS

B. Vaya Health Quarterly Report

MANAGER'S COMMENTS:

Ms. Margaret Pierce, Finance Director, will present the Vaya Health Quarterly Financial Report as required by Statute.

No action is required.



WATAUGA COUNTY FINANCE OFFICE

814 West King St., Room 216 - Boone, NC 28607 - Phone (828) 265-8007 Fax (828) 265-8006

MEMORANDUM

TO: Deron Geouque, County Manager
FROM: Margaret Pierce, Finance Director
SUBJECT: Vaya Health Quarterly Reports
DATE: February 1, 2018

Attached is a copy of the quarterly fiscal monitoring report (FMR) from Vaya Health for the quarter ended December 31 2017. This fiscal monitoring report was provided by Vaya Health to comply with the G.S. 122C-117(c).

excerpt from G.S. 122C-117(c)

(c) Within 30 days of the end of each quarter of the fiscal year, the area director and finance officer of the area authority shall provide the quarterly report of the area authority to the county finance officer. The county finance officer shall provide the quarterly report to the board of county commissioners at the next regularly scheduled meeting of the board. The clerk of the board of commissioners shall notify the area director and the county finance officer if the quarterly report required by this subsection has not been submitted within the required period of time. This information shall be presented in a format prescribed by the county. At least twice a year, this information shall be presented in person and shall be read into the minutes of the meeting at which it is presented. In addition, the area director or finance officer of the area authority shall provide to the board of county commissioners ad hoc reports as requested by the board of county commissioners.

LME / MCO NAME: VAYA HEALTH FOR THE PERIOD ENDING: December 31, 2017
 # of month in the fiscal year (July = 1, August = 2, . . . , June = 12) =====> 6

1. REPORT OF BUDGET VS. ACTUAL

ITEM	Basis of Accounting: (check one)	Modified Accrual Accrual	X	(1)		(2)		(3)		(4)		(5)		(6)	
				PRIOR YEAR		CURRENT YEAR		BALANCE		ANNUALIZED					
				2016-2017		ACTUAL		YR-TO-DATE		PERCENTAGE **					
				BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	YR-TO-DATE	BALANCE	(Col. 3-4)	PERCENTAGE **			
REVENUE															
Service Fees from LME-Delivered Services				359,750	459,403	5,000	10,500			(5,500)		420.00%			
Medicaid Pass Through Funds				80,000	42,164	-	-			-		-			
Interest Earned				221,000	254,285	200,558	144,135			56,423		143.73%			
Rental Income				53,772	53,772	53,772	26,886			26,886		100.00%			
Budgeted Fund Balance * (Detail in Item 4, below)				35,333,836	-	19,614,581	-			19,614,581		0.00%			
Other Local				2,364,751	2,158,015	1,651,437	844,154			807,283		102.23%			
Total Local Funds				38,413,109	2,967,639	21,525,348	1,025,675			20,499,673		9.53%			

County Appropriations (by county, includes ABC Funds):														
Alexander County				50,000	50,000	50,000	25,000			25,000		100.00%		
Alleghany County				115,483	115,483	115,483	57,742			57,742		100.00%		
Ashe County				189,566	189,566	189,566	94,783			94,783		100.00%		
Avery County				89,600	89,600	89,600	44,800			44,800		100.00%		
Buncombe County				600,000	600,000	600,000	300,000			300,000		100.00%		
Caldwell County				119,628	119,638	119,628	59,942			59,686		100.21%		
Cherokee County				75,000	75,000	75,000	37,500			37,500		100.00%		
Clay County				15,000	15,000	15,000	7,500			7,500		100.00%		
Graham County				6,000	6,000	6,000	3,000			3,000		100.00%		
Haywood County				101,900	100,387	101,900	49,028			52,872		96.23%		
Henderson County				528,612	528,612	528,612	264,306			264,306		100.00%		
Jackson County				123,081	123,081	123,081	61,541			61,541		100.00%		
Macon County				106,623	106,623	106,623	53,312			53,312		100.00%		
Madison County				30,000	30,000	30,000	15,000			15,000		100.00%		
McDowell County				67,856	67,856	67,856	33,928			33,928		100.00%		
Mitchell County				18,000	18,000	18,000	9,000			9,000		100.00%		
Polk County				77,991	78,510	78,491	39,327			39,164		100.21%		
Rutherford County				102,168	102,168	102,168	51,084			51,084		100.00%		
Swain County				32,260	26,025	24,091	13,480			10,611		111.91%		
Transylvania County				99,261	99,261	99,261	49,631			49,631		100.00%		
Watauga County				171,194	171,194	171,194	85,597			85,597		100.00%		
Wilkes County				266,810	266,327	267,354	133,815			133,539		100.10%		
Yancey County				26,000	26,000	26,000	13,000			13,000		100.00%		
Total County Funds				3,012,033	3,004,331	3,004,908	1,502,314			1,502,594		99.99%		

LME Systems Admin. Funds (Cost Model)													
DMH/DD/SAS Administrative Funds (% basis)				138,494	138,494	-	-			-		-	
DMH/DD/SAS Services Funding				62,146,875	59,900,993	77,446,294	39,360,017			38,086,277		101.64%	
DMA Capitation Funding				317,256,174	320,350,760	321,080,065	162,657,542			158,422,523		101.32%	
DMA Risk Reserve Funding				6,474,616	6,467,872	6,552,654	3,326,467			3,226,187		101.53%	
All Other State/Federal Funds				17,000	19,960	254,400	118,427			135,973		93.10%	
Total State and Federal Funds				386,033,159	386,878,079	405,333,413	205,462,453			199,870,960		102.66%	

TOTAL REVENUE				427,458,301	392,850,049	429,863,670	207,990,441			221,873,227		96.77%	
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EXPENDITURES:														
System Management/Administration/Care Coordination				61,766,160	49,073,166	59,871,202	22,923,093			36,948,109		76.57%		
LME Provided Services				2,859,229	3,275,392	1,653,575	719,379			934,196		87.01%		
Provider Payments (State Funds)				347,856,105	340,101,325	351,422,865	173,692,471			177,730,394		98.85%		
Provider Payments (Federal Funds)				9,982,671	8,858,430	13,163,803	8,307,850			4,855,953		126.22%		
Provider Payments (County/Local)				3,284,486	3,204,924	3,004,908	1,378,014			1,626,894		91.72%		
All Other				1,709,650	1,526,012	747,317	387,659			359,658		103.75%		
TOTAL EXPENDITURES				427,458,301	406,039,249	429,863,670	207,408,465			222,455,204		96.50%		

Net Income (from Operations and Risk Reserve)					(13,189,198)		581,976						
--	--	--	--	--	---------------------	--	----------------	--	--	--	--	--	--

Beginning Unrestricted/Unassigned Fund Balance					8,031,041		11,636,026						
Balance in Restricted DMA Risk Reserve					31,345,510		34,671,977						

Current Estimated Unrestricted/Unassigned Fund Balance and percent of budgeted expenditures				2.72%	11,636,026	-0.43%	(1,859,575)						
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2. CURRENT CASH POSITION

Current Cash in Bank (Including Risk Reserve)					109,388,982								
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3. SERVICE EXCEPTIONS (Provided Based on System Capability)

Services authorized but not billed (IBNR)					19,589,670								
---	--	--	--	--	-------------------	--	--	--	--	--	--	--	--

LME / MCO NAME: VAYA HEALTH FOR THE PERIOD ENDING: December 31, 2017
 # of month in the fiscal year (July = 1, August = 2, . . . , June = 12) =====> 6

4. DETAIL ON BUDGETED FUND BALANCE		Budgeted	Utilized Year-to-Date	Remaining Balance	% Utilized
Pymt to Providers/Admin	Single Stream Replacement Funding	7,449,987	3,724,994	3,724,994	50.00%
Payments to DMA	Risk Reserve Match Contribution	2,315,471	1,157,736	1,157,736	50.00%
Other Initiatives	Admin Replacement Funding	3,480,274	0	3,480,274	0.00%
Other Initiatives	Integrated Collab Care Svc Initiatives	4,068,849	1,726,535	2,342,314	42.43%
Other Initiatives	Admin Office - Expansion Project	2,300,000	654,826	1,645,174	28.47%
Total Fund Balance Appropriated/Utilized to Date		19,614,581	7,264,090	12,350,491	37.03%

* We certify (a) this report to contain accurate and complete information, (b) explanations are provided for any expenditure item with an annualized expenditure rate greater than 110% and for any revenue item with an annualized receipt rate of less than 90%, and (c) a copy of this report has been provided to each county manager in the catchment area".

LME / MCO Director _____ Date _____ LME/MCO Finance Officer _____ Date 1/31/2018 Area Board Chair _____ Date _____

Quarterly Fiscal Monitoring Report - Explanation of Revenue and Expenditure Variances

VAYA HEALTH

For the period ending: December 31, 2017

ITEM

Explanation

Revenues Less than 90%

Fund Balance Appropriated (0.00%)

Fund Balance Appropriation is budgeted - but no actual will be recorded on the financial statements.

Expenditures Exceeding 110%

Provider Payments (126.2%)

In the GERO and Housing programs, the Federal portion was utilized in the first quarter causing overutilization. Additionally, as of 12/31/2017, the TASC program (\$3.3M) utilized 65% of that federal funding and the SABG Naloxone program (\$3.3M) utilized 100% of that federal funding . (This variance will decrease as the year continues)

Other Notes

ABC funds collected will be shown in the same line as MOE funds for that county. ABC Funds are recorded on a Cash Basis.

County MOE funds are recorded on an accrual basis, therefore the amount shown in the report above may not reflect the actual amount of funds received from each county.

If County Funds of less than 50% of the Annual Budgeted amount have been received, the remaining has been accrued and is considered a receivable at 12/31/2017.

If County MOE funds in excess of 50% of the Annual Budgeted amount have been received, the excess has been deferred and not reflected as income as of 12/31/2017.

Unrestricted/Unassigned Fund Balance for current year is a negative amount due to all of the Fund Balance that has been appropriated due to Single Stream Cuts and as a result of Fund Balance appropriated for General Operations during the current fiscal year.

AGENDA ITEM 7:

FINANCE MATTERS

C. Vaya Health FY 2017 Audit Report

MANAGER'S COMMENTS:

The VAYA Annual Audited Financial Statements as required by Statute are presented for Board review and information.

The report is for information only; therefore no action is required.



WATAUGA COUNTY FINANCE OFFICE

814 West King St., Room 216 - Boone, NC 28607 - Phone (828) 265-8007 Fax (828) 265-8006

MEMORANDUM

TO: Deron T. Geouque, County Manager
FROM: Margaret Pierce, Finance Director
SUBJECT: Smoky Mountain Center Audited Financial Statements
DATE: February 8, 2018

Attached is a copy of the audited financial report from Smoky Mountain Center for the fiscal year ended June 30, 2017. This audited financial report was provided by Smoky Mountain Center to comply with the G.S. 122C-117(d).

excerpt from G.S. 122C-117(d)

(d) A multicounty area authority shall provide to each board of county commissioners of participating counties a copy of the area authority's annual audit. The audit findings shall be presented in a format prescribed by the county and shall be read into the minutes of the meeting at which the audit findings are presented.

VAYA HEALTH
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2017

**VAYA HEALTH
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**CliftonLarsonAllen**CliftonLarsonAllen LLP
CLAAconnect.com**INDEPENDENT AUDITORS' REPORT**

Board of Directors
Vaya Health
Asheville, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the major fund of Vaya Health's (the Organization), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Board of Directors
Vaya Health

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and major fund of the Organization as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-10, the other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions on pages 37-38, and the Local Government Employees' Retirement System Schedule of Proportionate Share of Net Pension Liability (Asset) and Schedule of Contributions, on pages 39 and 40, 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 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Organization. The supplemental schedules for NC Division of Medical Assistance reporting as well as the accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules for NC Division of Medical Assistance reporting and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Directors
Vaya Health

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2017, on our consideration of the Organization'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 that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Organization's 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 Organization's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Charlotte, North Carolina
November 2, 2017

Management's Discussion and Analysis

**VAYA HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

Management's Discussion and Analysis (MD&A)

The management of Vaya Health (the Organization) offers readers of the Organization's financial statements this narrative overview and analysis of the Organization's financial activities for the fiscal year ended (FYE) June 30, 2017. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Organization's financial statements, which follow this narrative.

Financial Highlights

- The Organization's net position decreased by a total of \$13,504,813 as compared to the previous year end. An amount of \$6,467,871 of this decrease was the funding from the Division of Medical Assistance for the two (2) percent Medicaid risk reserve and the interest earned on the restricted cash.
- Net investment in capital assets decreased by \$818 (or 0.02%) as compared to the previous year's end.
- Unrestricted net position decreased by \$19,971,866 to \$52,532,721 during the fiscal year ended June 30, 2017. The key contributing factor for this decrease was a result of state legislature's requirement in the fiscal year of a single stream replacement requirement (originally \$20,622,914, with a restoration of \$4,047,673, totaling \$16,575,241 net) and a state portion of risk reserve contribution requirement (\$2,325,656).
- The business-type activity operating revenues were \$393,484,247 for the fiscal year ended June 30, 2017.
- Total operating expenses of all the Organization's programs were \$407,243,345 during the fiscal year ended June 30, 2017.

Overview of the Financial Statements

The Organization's basic financial statements consist of three components: 1) the MD&A, 2) fund financial statements, and 3) notes to the financial statements. Because the Organization is a special-purpose government engaged in business-type activities only, the financial statements are presented in accordance with paragraph 138 of GASB Statement No. 34. In addition to the financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Organization. In addition to the management's discussion and analysis, management has prepared the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows.

Overview of the Organization

The Organization is an Area Authority or multi-county political subdivision of the State of North Carolina operating in accordance with North Carolina General Statute 122C. The Organization's primary mission is to manage a publicly funded health care system which addresses the mental health, substance use and intellectual and developmentally disability needs of citizens in the twenty-three county catchment area. The twenty-three county catchment area comprises the counties of Alexander, Alleghany, Ashe, Avery, Buncombe, Caldwell, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, Watauga, Wilkes and Yancey.

**VAYA HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

Effective July 1, 2012, the Organization began operating under a Medicaid 1915(b)(c) waiver with the Organization bearing the financial risk. The Organization's operations are funded primarily through Medicaid waiver funds, as well as Federal and state funds from the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS).

Effective January 1, 2017, the organization legally changed its name from Smoky Mountain Center for Mental Health, Development Disabilities, and Substance Abuse Services to Vaya Health. The name change did not have any impact on the organization's contracts with state agencies or providers.

Fund Financial Statements

The financial statements are presented on the fund basis. The fund financial statements provide a more detailed look at the Organization's most significant activities by focusing on the individual activities of the major funds. 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. The Organization, 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 (G.S.), the Organization's budget ordinance, or requirements under the Medicaid waivers. The focus is now on the activities of the major funds, and not on the type of fund. The Organization maintains one fund based on its activities as required and for accountability and control. The fund is an enterprise fund which uses the full accrual basis of accounting and accounts for the Organization's activities in a manner similar to a for-profit business.

The Organization adopts an annual budget as required by G.S. 159-42(c). The budget is a legally adopted document that incorporates input from the citizens and the management of the Organization and the decisions of the Board about which services to provide and how to pay for them. The budgetary statements demonstrate how well the Organization complied with the budget ordinance and whether or not the Organization succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statements use the budgetary basis of accounting and are presented using the same format, language, and classifications as the legal budget document. The budgetary statements are presented as supplementary information to demonstrate compliance with applicable state laws. To account for the difference between the budgetary basis of accounting and the full accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Notes to the Financial Statements

The next section of the financial statements is the notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements are on pages 16-35. After the notes, supplemental information is provided to show details about the Organization's postemployment benefits.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information required by North Carolina general statutes.

**VAYA HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

Statements of Net Position

A summary of the Organization's Statements of Net Position at June 30, 2017, 2016, and 2015 is presented in Table A-1.

**Table A-1
Condensed Statements of Net Position
June 30, 2017, 2016 and 2015**

	2017	2016	2015
Current Assets	\$ 87,583,267	\$ 108,012,376	\$ 110,724,325
Restricted Cash	31,345,510	24,877,639	18,618,950
Pension Asset	-	-	1,747,654
Capital Assets	3,329,421	3,330,239	3,203,719
Total Assets	<u>122,258,198</u>	<u>136,220,254</u>	<u>134,294,648</u>
Deferred Outflows of Resources	<u>8,681,761</u>	<u>3,259,690</u>	<u>2,980,160</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 130,939,959</u>	<u>\$ 139,479,944</u>	<u>\$ 137,274,808</u>
Current Liabilities	\$ 31,793,731	\$ 33,510,536	\$ 31,272,857
Pension Liability	8,468,546	1,621,946	-
Long-Term Liabilities	3,173,293	2,791,986	2,059,562
Total Liabilities	<u>43,435,570</u>	<u>37,924,468</u>	<u>33,332,419</u>
Deferred Inflows of Resources	296,737	843,011	4,259,461
Net Position			
Net Investment in Capital Assets	3,329,421	3,330,239	3,203,719
Restricted	31,345,510	24,877,639	18,618,950
Unrestricted Net Position	52,532,721	72,504,587	77,860,259
Total Net Position	<u>87,207,652</u>	<u>100,712,465</u>	<u>99,682,928</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 130,939,959</u>	<u>\$ 139,479,944</u>	<u>\$ 137,274,808</u>

Net position may serve over time as one useful indicator of a government's financial condition. The assets of the Organization exceeded liabilities by \$78,822,628 as of June 30, 2017. The Organization uses unrestricted cash to pay providers of services and to manage risk associated with the capitation payments under the Medicaid waivers.

An additional portion of the Organization's net position represents resources that are subject to external restrictions on how they may be used. An amount of 60.2% of the total fund balance is unrestricted while 36.0% of net position is restricted by the Medicaid (b)(c) waiver contract. The remaining balance represents the net investment in fixed assets.

**VAYA HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

Statements of Revenues, Expenses, and Changes in Net Position

While the Statements of Revenues, Expenses and Changes in Net Position show the change in net position, it also provides answers to the nature and source of these changes.

**Table A-2
Condensed Statements of Changes in Net Position
Years Ended June 30, 2017, 2016 and 2015**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues			
Intergovernmental:			
Local	\$ 2,946,773	\$ 2,934,598	\$ 2,939,599
Federal	9,366,174	7,336,586	7,040,660
State	50,672,196	57,678,880	55,338,806
Medicaid	326,818,634	314,073,589	305,331,457
Other Income	3,680,470	3,456,487	2,181,792
Total Revenues	<u>393,484,247</u>	<u>385,480,140</u>	<u>372,832,314</u>
Expenses			
Personnel	36,600,642	32,697,911	28,866,091
Professional Services	3,134,210	3,620,408	2,995,381
Supplies	245,459	228,541	320,880
Current Obligations and Services	3,276,673	3,301,254	2,861,025
Fixed Charges and Expenses	4,953,786	3,948,074	4,315,180
Capital Outlay	1,983,800	2,009,193	677,219
Depreciation	650,287	577,099	457,986
Contracts and Grants	356,398,488	338,289,237	308,989,462
Total Expenses	<u>407,243,345</u>	<u>384,671,717</u>	<u>349,483,224</u>
Nonoperating Income (Loss)			
Loss on Disposal of Capital Assets	-	(8,726)	(122,939)
Interest Income	254,285	229,840	154,678
Total Nonoperating Income	<u>254,285</u>	<u>221,114</u>	<u>31,739</u>
Revenues Over (Under) Expenses	(13,504,813)	1,029,537	23,380,829
Contributed Capital	<u>-</u>	<u>-</u>	<u>742,700</u>
Change in Net Position	(13,504,813)	1,029,537	24,123,529
Net Position - Beginning of Year	<u>100,712,465</u>	<u>99,682,928</u>	<u>75,559,399</u>
Net Position - End of Year	<u>\$ 87,207,652</u>	<u>\$ 100,712,465</u>	<u>\$ 99,682,928</u>

**VAYA HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

Capital Asset and Debt Administration

The Organization's investment in capital assets as of June 30, 2017, 2016 and 2015, totals \$3,329,421, \$3,330,239, and \$3,203,719 (net of accumulated depreciation), respectively, as shown in Table A-3 below. These assets include land and assets in process (which are not depreciated), buildings, leasehold improvements, furniture and other equipment, computer equipment and vehicles. Capital assets increased during the year with additions exceeding depreciation expense.

**Table A-3
Capital Assets
June 30, 2017, 2016 and 2015**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
In Process	\$ 720,766	\$ 206,372	\$ 196,578
Land	655,870	655,870	655,870
Buildings	429,002	456,327	484,964
Leasehold Improvements	553,744	688,176	822,533
Vehicles	32,836	46,762	25,656
Office Furniture and Equipment	84,240	127,137	204,867
Computer Equipment	852,963	1,149,595	813,251
Total Capital Assets	<u>\$ 3,329,421</u>	<u>\$ 3,330,239</u>	<u>\$ 3,203,719</u>

Additional information on the Organization's capital assets can be found in Note 2 of the Basic Financial Statements.

At June 30, 2017, 2016 and 2015, the Organization had no outstanding debt associated with these capital assets.

Economic and Other Factors

A number of economic factors currently affect the financial and operational performance of health care entities and the Organization including the following:

Restructuring of Mental Health Services in North Carolina.

A major restructuring of the management and delivery systems of mental health, developmental disabilities, and substance use services continues in the state of North Carolina. Significant changes in funding and operations continue to take place as a result of this reform.

Other Factors for the Year Ended June 30, 2018:

- a. Effective July 1, 2012, the Organization began operating under a Medicaid 1915 (b)(c) waiver, assuming management of Medicaid funded behavioral health and intellectual/developmental disability services for Medicaid enrollees in the Organization's catchment area. There are now 23 counties in the Organization's catchment area.

**VAYA HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

Finance Contact

The Organization's financial statements are designed to present users with a general overview of the Organization's finances and to demonstrate the Organization's accountability. If you have any questions about the report or need additional financial information, please contact Chief Financial Officer, Vaya Health, 200 Ridgefield Court, Asheville, North Carolina, 28806.

Basic Financial Statements

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**VAYA HEALTH
STATEMENT OF NET POSITION
JUNE 30, 2017**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

CURRENT ASSETS

Cash and Cash Equivalents	\$ 70,284,854
Accounts Receivable, Net	15,452,259
Prepaid Expenses	1,798,029
Other Assets	48,125
Total Current Assets	<u>87,583,267</u>

NON-CURRENT ASSETS

Restricted Cash and Cash Equivalents	31,345,510
Capital Assets (Net of Accumulated Depreciation)	3,329,421
Total Noncurrent Assets	<u>34,674,931</u>

Total Assets 122,258,198

DEFERRED OUTFLOWS OF RESOURCES

8,681,761

Total Assets and Deferred Outflows of Resources \$ 130,939,959

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

CURRENT LIABILITIES

Accounts Payable and Other Current Liabilities	\$ 16,687,123
Liability for Claims Incurred, but not Reported	14,872,020
Unavailable Revenue	9,588
Compensated Absences - Current Portion	225,000
Total Current Liabilities	<u>31,793,731</u>

LONG-TERM LIABILITIES

Other Postemployment Benefits	913,661
Pension Liability	8,468,546
Deferred Lease Liability	168,840
Compensated Absences - Long-Term	2,090,792
Total Liabilities	<u>43,435,570</u>

DEFERRED INFLOWS OF RESOURCES

296,737

NET POSITION

Net Investment in Capital Assets	3,329,421
Restricted:	
Medicaid Risk Reserve	31,345,510
Unrestricted	52,532,721
Total Net Position	<u>87,207,652</u>

Total Liabilities, Deferred Inflows of Resources, and Net Position \$ 130,939,959

See accompanying Notes to Financial Statements.

VAYA HEALTH
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
YEAR ENDED JUNE 30, 2017

OPERATING REVENUES	
Intergovernmental:	
Local	\$ 2,946,773
Federal	9,366,174
State	50,672,196
Medicaid	326,818,634
Other Income	3,680,470
Total Revenues	<u>393,484,247</u>
EXPENSES	
Personnel	36,600,642
Professional Services	3,134,210
Supplies and Materials	245,459
Current Obligations and Services	3,276,673
Fixed Charges and Expenses	4,953,786
Capital Outlay	1,983,800
Depreciation	650,287
Contracts and Grants	356,398,488
Total Expenses	<u>407,243,345</u>
Operating Loss	(13,759,098)
NONOPERATING INCOME	
Interest Income	<u>254,285</u>
Total Nonoperating Income	<u>254,285</u>
Decrease in Net Position	(13,504,813)
NET POSITION - BEGINNING OF YEAR	<u>100,712,465</u>
NET POSITION - END OF YEAR	<u><u>\$ 87,207,652</u></u>

See accompanying Notes to Financial Statements.

**VAYA HEALTH
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Federal, State, and Local Agencies	\$ 384,888,163
Payments to Suppliers	(13,537,648)
Payments to Employees	(35,594,212)
Payments for Contracted Services	(357,236,400)
Other Receipts and Payments, Net	3,294,130
Net Cash Used in Operating Activities	<u>(18,185,967)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of Capital Assets	(649,469)
Net Cash Used in Capital and Related Financing Activities	<u>(649,469)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest	254,285
Net Cash Provided by Investing Activities	<u>254,285</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(18,581,151)
Cash and Cash Equivalents - Beginning of Year	<u>120,211,515</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 101,630,364</u>
Cash and Cash Equivalents	\$ 70,284,854
Restricted Cash and Cash Equivalents	31,345,510
Total Cash and Cash Equivalents	<u>\$ 101,630,364</u>
Reconciliation of Operating Income to Net Cash Provided from Operating Activities:	
Operating Loss	\$ (13,759,098)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	650,287
Change in Assets and Liabilities:	
Increase in Accounts Receivable	(4,036,721)
Increase in Prepaid Expenses and Other Assets	(583,192)
Decrease in Pension Related Accounts	878,255
Increase in Other Postemployment Benefits Liability	196,852
Decrease in Accounts Payable and Accrued Expenses	(837,912)
Decrease in Deferred Revenue	(878,893)
Increase in Deferred Lease Liability	56,280
Increase in Compensated Absences	128,175
Net Cash Used in Operating Activities	<u>\$ (18,185,967)</u>

See accompanying Notes to Financial Statements.

**VAYA HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Vaya Health (the Organization) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies.

A. Reporting Entity

The Organization is a local management entity (LME) and managed care organization (MCO) designated by and functioning under the control of the North Carolina Department of Health and Human Services to provide mental health, developmental disabilities and substance abuse services in Alexander, Alleghany, Ashe, Avery, Buncombe, Caldwell, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, Watauga, Wilkes and Yancey counties. The services include reviewing and evaluating the area needs and programs in mental health, mental impairment, alcoholism, drug dependency and related fields, and developing jointly with the North Carolina Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, an annual plan for the effective development, use and control of state and local facilities and resources in a comprehensive program of mental health service for the residents of the area. The Organization, which is governed by a twenty-one member board of directors, is an area authority empowered by Chapter 122C of the North Carolina General Statutes with the responsibility to oversee and control all activities related to mental health, developmental disabilities, and substance abuse services in its target area. The Organization has no component units, which under generally accepted accounting principles are legally separate entities for which the Organization is financially accountable.

Effective January 1, 2017, the organization legally changed its name from Smoky Mountain Center for Mental Health, Development Disabilities, and Substance Abuse Services to Vaya Health. The name change did not have any impact on the organization's contracts with state agencies or providers.

B. Basis of Presentation, Fund Accounting

The accounts of the Organization are organized and operated on a fund basis. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts recording its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses.

The Organization accounts for its operations as an enterprise fund. An enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**VAYA HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation, Fund Accounting (Continued)

The *Enterprise Fund* is the major operating fund of the Organization which accounts for all activity. The Enterprise Fund financial statements are reported using the economic resources measurement focus and 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 Organization gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements, and donations. On an accrual basis, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Activity related to the internal service fund of the Organization has been presented with the major operating fund for reporting purposes. The internal service fund was used in the past by the Organization to account for health and dental insurance to employees and eligible retirees.

Amounts reported as 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.

Intergovernmental revenues 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.

All funds of the Organization are maintained on the modified accrual basis during the year; however, the financial statements for the Organization have been reported on the accrual basis. Under this basis, revenues are recorded when earned and expenses are recorded when incurred. In converting from the modified accrual basis to the full accrual basis, the changes required may include adjustments for depreciation, capital outlay, compensated absences, and other postemployment benefits.

**VAYA HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Budgetary Data

The Organization maintains budgetary controls over all funds, as required by the North Carolina General Statutes. An annual budget is adopted for the Enterprise Fund. All annual appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000. The governing board must approve all amendments. During the year, several allocation letters caused budget revision amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted. The budget was prepared on the modified accrual basis of accounting. The budget presented in these statements is the budget ordinance amended through June 30, 2017.

D. Assets, Liabilities, and Net Position

1. Deposits and Investments

All deposits of the Organization are made in board-designated official depositories and are secured as required by G.S. 159-31. The Organization may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Organization 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 Organization to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public Organization; 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 Organization's investments are reported at fair value. The NCCMT Cash Portfolio, an SEC-registered (2a-7) external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

2. Cash and Cash Equivalents

All cash and investments are essentially demand deposits and are considered cash and cash equivalents. The Organization considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

Restricted cash consists of cash required to be set aside in a separate account by the Medicaid waiver.

**VAYA HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position (Continued)

3. 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 and evaluating current information related to the collectability of individual receivables.

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

5. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

	<u>Years</u>
Buildings	20
Leasehold Improvements	5-20
Vehicles	4-5
Office Furniture	5-10
Computer Equipment	3-5

6. Long-Term Obligations

Long-term obligations are reported as liabilities and classified as short-term or long-term depending on their respective maturities.

7. Compensated Absences

The annual leave policy of the Organization provides for the accumulation of up to two hundred and forty (240) hours earned annual leave with such leave being fully vested when earned. An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current portion in the financial statements.

**VAYA HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position (Continued)

7. Compensated Absences (Continued)

The sick leave policy of the Organization provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Organization has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

8. Deferred Lease Liability

Rent expenses are reported on a straight-line basis. Differences between monthly rent expenses and rent payments are recorded as a deferred rent liability and adjustment to straight-line is amortized over the life of the lease term. The reported liability relates to the office building in Sylva, North Carolina.

9. Pension Plans

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

10. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate selection for deferred outflows of resources. This separate financial statements 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 Organization has several items that meet this criterion - contributions made to the pension plan in the 2017 fiscal year, changes of assumptions, net difference between projected and actual earnings on pension plan assets, and changes in proportion and differences between the Organization's contributions and proportionate share of contributions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statements 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 Organization has one item that meets this criterion - differences between expected and actual experience.

**VAYA HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position (Continued)

11. Net Position

Net position is classified into three parts: net investment in capital assets, restricted, and unrestricted. Unrestricted net position includes the portion of net position that bears no restriction as to use or purpose. Net investment in capital assets includes resources invested in capital assets. Restricted net position includes revenue resources that are restricted to specific purposes externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law. Amounts restricted for the Medicaid Risk Reserve include the portion of net position that is restricted by the Medicaid 1915 b/c waiver.

NOTE 2 DETAILED NOTES ON ALL FUNDS

A. Assets

1. Cash and Cash Equivalents

All of the Organization's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the Federal Depository Insurance coverage level are collateralized with securities held by the Organization in its name. 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 Organization, these deposits are considered to be held by their agents in the entity's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Organization or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Organization under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Organization has no formal policy regarding custodial credit risks for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all Pooling Method financial institutions and to monitor them for compliance.

**VAYA HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Cash and Cash Equivalents (Continued)

At June 30, 2017, the Organization's deposits had a carrying amount of \$87,243,360 and a bank balance of \$88,029,629. Of the bank balance, \$500,000 was covered by Federal Depository Insurance; \$87,529,629 in interest bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2017, the Organization had \$1,425 of cash on hand.

2. Investments

The Organization measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At June 30, 2017, the Organization had the following investments, which are included within cash and cash equivalents on the Statement of Net Position, measured at fair value:

	Value	Level 1	Level 2	Level 3
Money Market Funds	\$ 14,385,579	\$ 14,385,579	\$ -	\$ -
Total Investments by Fair Value Level	<u>\$ 14,385,579</u>	<u>\$ 14,385,579</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk: The Organization has no policy on interest rate risk.

Custodial Credit Risk: The Organization has no policy on custodial credit risk.

Credit Risk: The Organization's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended.

At June 30, 2017, the Organization's investments and maturities are as follows:

	Fair Value	Less than 6 Months	6-12 Months	1-3 Years
NC Capital Management Trust*	\$ 14,385,579	\$ 14,385,579	\$ -	\$ -
	<u>\$ 14,385,579</u>	<u>\$ 14,385,579</u>	<u>\$ -</u>	<u>\$ -</u>

*Because the NC Capital Management Trust Term Portfolio had a duration of 0.09 years, it was presented as an investment with a maturity of less than 6 months.

**VAYA HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

3. Receivables

Receivables at June 30, 2017, were as follows:

	<u>Government</u>	<u>Other Providers</u>	<u>Total</u>
General	\$ 493,598	\$ 15,225,882	\$ 15,719,480
Less: Allowance for Doubtful Accounts	-	(267,221)	(267,221)
Total	<u>\$ 493,598</u>	<u>\$ 14,958,661</u>	<u>\$ 15,452,259</u>

4. Capital Assets

Capital asset activity for the year ended June 30, 2017, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets not Being Depreciated:				
Land	\$ 655,870	\$ -	\$ -	\$ 655,870
Construction in Progress	206,372	514,394	-	720,766
Total Capital Assets not Being Depreciated	862,242	514,394	-	1,376,636
Capital Assets Being Depreciated:				
Buildings	546,464	-	-	546,464
Vehicles	55,702	-	-	55,702
Computer Equipment	3,667,729	68,635	728,886	3,007,478
Office Furniture	616,165	23,243	170,733	468,675
Leasehold Improvements	1,046,748	43,197	82,072	1,007,873
Total Capital Assets Being Depreciated	5,932,808	135,075	981,691	5,086,192
Less: Accumulated Depreciation for:				
Buildings	90,137	27,325	-	117,462
Vehicles	8,940	13,926	-	22,866
Computer Equipment	2,518,134	365,267	728,886	2,154,515
Office Furniture	489,028	66,140	170,733	384,435
Leasehold Improvements	358,572	177,629	82,072	454,129
Total Accumulated Depreciation	3,464,811	650,287	981,691	3,133,407
Capital Assets, Net	<u>\$ 3,330,239</u>	<u>\$ (818)</u>	<u>\$ -</u>	<u>\$ 3,329,421</u>

In addition, the Organization acquired \$1,149,623 of minor capital assets that were below the capitalization threshold of \$5,000.

**VAYA HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities

1. Payables

Accounts payable, incurred but not reported claims and other current liabilities at June 30, 2017, were as follows:

	Vendors	Accrued Wages and Benefits	Incurred but not Reported Claims	Total
Payables	\$ 13,583,898	\$ 3,103,225	\$ 14,872,020	\$ 31,559,143
Total	<u>\$ 13,583,898</u>	<u>\$ 3,103,225</u>	<u>\$ 14,872,020</u>	<u>\$ 31,559,143</u>

2. Pension Plan Obligations, Other Employment Benefits, and Other Postemployment Benefits

a. Retirement Plan

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

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. 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 or have completed five years of service and have reached age 60.

**VAYA HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

2. Pension Plan Obligations, Other Employment Benefits, and Other Postemployment Benefits (Continued)

a. Retirement Plan (Continued)

Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. The Organization's employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Organization's contractually required contribution rate for the year ended June 30, 2017, was 7.25% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Organization were approximately \$1,954,000 for the year ended June 30, 2017.

At June 30, 2017, the Organization reported a liability of approximately \$8,469,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The Organization's proportion of the net pension liability was based on a projection of the Organization'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, 2016, the Organization's proportion was 0.399%.

For the year ended June 30, 2017, the Organization recognized pension expense of approximately \$2,833,000. At June 30, 2017, the Organization 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	\$ 159,109	\$ 296,737
Changes of assumptions	580,019	-
Net difference between projected and actual earnings on pension plan investments	4,682,034	-
Changes in proportion and differences between Organization contributions and proportionate share of contributions	1,306,132	-
Organization contributions subsequent to the measurement date	1,954,467	-
Total	<u>\$ 8,681,761</u>	<u>\$ 296,737</u>

**VAYA HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

2. Pension Plan Obligations, Other Employment Benefits, and Other Postemployment Benefits (Continued)

a. Retirement Plan (Continued)

Deferred outflows of resources of approximately \$1,954,000 resulting from the Organization's contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2018	\$ 1,325,395
2019	1,322,487
2020	2,390,189
2021	1,392,487
	<u>\$ 6,430,557</u>

Actuarial Assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 to 7.75 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, 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, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc Cost of Living Adjustment (COLA) amounts are not considered to be substantively automatic and are therefore not included in the measurement.

**VAYA HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

2. Pension Plan Obligations, Other Employment Benefits, and Other Postemployment Benefits (Continued)

a. Retirement Plan (Continued)

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected 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%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2016 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

**VAYA HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

2. Pension Plan Obligations, Other Employment Benefits, and Other Postemployment Benefits (Continued)

a. Retirement Plan (Continued)

Discount Rate. The discount rate used to measure the total pension liability was 7.25%. 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 Organization's proportionate share of the net pension asset to changes in the discount rate. The following presents the Organization's proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the Organization's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Organization's proportionate share of the net pension liability (asset)	\$ 20,099,799	\$ 8,468,546	\$ (1,246,750)

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

**VAYA HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

2. Pension Plan Obligations, Other Employment Benefits, and Other Postemployment Benefits (Continued)

b. Other Postemployment Benefits

Plan Description. The Organization administers a defined benefit Employment Benefit Fund (EBF). As of September 2004, Organization employees who retire and draw benefits from the Local Government Employees' Retirement System (LGERS) have the ability to continue their health and dental coverage under the Organization's EBF. The Organization will provide a percentage of the cost of coverage based on the number of years of service and the employee's age at the time of retirement. The applicable percentage of total cost to be paid by the Organization is listed in the following tables.

**Employees with at Least 20 Years of Service at
Vaya Health and Receiving LGERS Benefits**

Retirement Age	Organization Contribution to Health and/or Dental Costs
60 - 64	100%
59	83%
58	71%
57	62%
56	55%
55	50%
54	45%
53	41%
52	38%
51	35%
50	33%

**VAYA HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

2. Pension Plan Obligations, Other Employment Benefits, and Other Postemployment Benefits (Continued)

b. Other Postemployment Benefits (Continued)

Employees With at Least 15 Years of Service at
Vaya Health and Receiving LGERS Benefits

Retirement Age	Organization Contribution to Health and/or Dental Costs
60 - 64	50%
59	41%
58	35%
57	31%
56	27%
55	25%
54	22%
53	20%
52	19%
51	17%
50	16%

Coverage may continue for the retiree until the retiree becomes entitled to Medicare benefits or reaches the age of sixty-five, whichever comes first. Also the Organization's retirees can purchase coverage for their dependents at the Organization's group rates. The Organization may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the Plan consisted of the following at June 30, 2016, the date of the latest actuarial valuation:

Active plan members	467
Retirees and dependents receiving benefits	<u>6</u>
Total	<u>473</u>

Funding Policy. The Organization pays the cost of coverage for the health care benefits paid to qualified retirees under a Board resolution that can be amended by the Board. The Organization has chosen to fund the health care benefits on a pay as you go basis.

**VAYA HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

2. Pension Plan Obligations, Other Employment Benefits, and Other Postemployment Benefits (Continued)

b. Other Postemployment Benefits (Continued)

The current ARC rate is 1.0% of annual covered payroll. For the current year, the Organization contributed \$45,314, or 0.18% of annual covered payroll. The Organization obtains insurance through private insurers for health care coverage. The Organization is not required to make contributions at a specified percentage of covered payroll. Contributions made by retired employees, which includes dependent coverage, totaled \$19,223 in the year ended June 30, 2017.

Summary of Significant Accounting Policies. The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Contributions are recognized when due, and the Organization will provide the contributions to the Plan. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations. Short-term money market debt instruments, deposits, and repurchase agreements are reported at cost or amortized cost, which approximates fair value. Certain longer term United States Government and United States Agency securities are valued at the last reported sales price. Administration costs of the Plan are financed through investment earnings.

Annual OPEB Cost and Net OPEB Obligation. The Organization's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Organization's annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the Organization's net OPEB obligation for the postemployment health care benefits:

Annual Required Contribution	\$ 251,109
Interest on Net OPEB Obligation	20,798
Adjustments to Annual Required Contribution	<u>(29,741)</u>
Annual OPEB Cost	242,166
Contributions Made	<u>(45,314)</u>
Increase in Net OPEB Obligation	196,852
Net OPEB Obligation, Beginning of Year	<u>716,809</u>
Net OPEB Obligation, End of Year	<u><u>\$ 913,661</u></u>

**VAYA HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

2. Pension Plan Obligations, Other Employment Benefits, and Other Postemployment Benefits (Continued)

b. Other Postemployment Benefits (Continued)

The Organization's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations for 2017 were as follows:

<u>Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB (Asset)/ Obligation</u>
2010	\$ 153,800	64.00%	\$ 110,041
2011	153,800	56.00%	168,086
2012	124,872	99.00%	154,415
2013	124,872	24.37%	239,371
2014	197,208	28.86%	379,664
2015	197,208	28.86%	519,957
2016	242,166	18.71%	716,809
2017	242,166	18.71%	913,661

Fund Status and Funding Progress. As of June 30, 2016, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$966,754 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$966,754. The covered payroll (annual payroll of active employees covered by the plan) was \$24,821,723 and the ratio of the UAAL to the covered payroll was 3.9 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing, over time, relative to the actuarial accrued liabilities for benefits.

**VAYA HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

2. Pension Plan Obligations, Other Employment Benefits, and Other Postemployment Benefits (Continued)

b. Other Postemployment Benefits (Continued)

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the June 30, 2016 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date and an annual medical cost of 8 percent annually with a trend decrease of 0.5 percent annually until an ultimate rate of 5 percent is reached. The dental cost trend increase of 5.00 percent was assumed. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of pay on an open basis. The remaining amortization period at June 30, 2016, was 20 years.

c. Other Employment Benefits

The Organization 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. All death benefit payments are made from the Death Benefit Plan. The Organization has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount. The Organization considers these contributions to be immaterial.

**VAYA HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

3. Risk Management

The Organization is exposed to various risks of losses related to torts; malpractice; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Organization carries commercial insurance to cover substantially all risks of loss. The Organization obtains commercial general liability and professional liability coverage of \$2,000,000 per occurrence subject to a \$3,000,000 limit, liability and collision insurance coverage on vehicles of \$1,000,000 per occurrence, and workers' compensation coverage subject to a limit of \$1,000,000.

The Organization does not carry flood insurance as there are no properties located within areas designated as flood areas.

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

In accordance with G.S. 159.29, the Organization's employees that have access to \$100 or more at a given time of the Organization's funds are performance bonded through a commercial surety bond. The Chief Executive Officer and the Chief Finance Officer are individually bonded for \$250,000.

4. Contingent Liabilities

From time to time, the Organization is party to other pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Organization's financial position or results of operations.

5. Long-Term Obligations

As of June 30, 2017, the long-term obligations of the Organization consisted of the following:

	<u>Balance July 1, 2016</u>	<u>Net Increase</u>	<u>Balance June 30, 2017</u>	<u>Amounts Due within One Year</u>
Compensated Absences	<u>\$ 2,187,617</u>	<u>\$ 128,175</u>	<u>\$ 2,315,792</u>	<u>\$ 225,000</u>

Compensated absences typically have been liquidated in the general fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

VAYA HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 SUMMARY DISCLOSURES OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Non-Cancellable Operating Leases

The Organization leases certain operating facilities under non-cancellable operating leases. Future lease payments due under these leases subsequent to June 30, 2017 are as follows:

Year Ending June 30,	Amount
2018	\$ 1,121,813
2019	1,102,534
2020	1,102,273
2021	1,111,099
2022	1,120,014
	<u>\$ 5,557,733</u>

Total rent expense for all operating leases amounted to \$1,171,487 for the year ended June 30, 2017.

**REQUIRED SUPPLEMENTARY FINANCIAL DATA
(ADDITIONAL INFORMATION REQUIRED BY
GOVERNMENTAL ACCOUNTING STANDARDS BOARD)**

- **SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS**
- **SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS**
- **LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM - PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)**
- **LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM - CONTRIBUTIONS**

**VAYA HEALTH
OTHER POSTEMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL)- Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2009	\$ -	\$ 923,900	\$ 923,900	0.00%	\$ 9,054,000	10.2%
6/30/2012	-	778,767	778,767	0.00%	9,723,728	8.0%
6/30/2014	-	994,739	994,739	0.00%	16,770,810	5.9%
6/30/2016	-	966,754	966,754	0.00%	24,821,723	3.9%

**VAYA HEALTH
OTHER POSTEMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<u>Year Ended June 30,</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>
2010	\$ 153,800	64.00%
2011	153,800	56.00%
2012	124,872	108.63%
2013	124,872	21.93%
2014	201,325	28.27%
2015	201,325	28.27%
2016	251,109	18.05%
2017	251,109	18.05%

**VAYA HEALTH
OTHER POSTEMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
YEAR ENDED JUNE 30, 2017**

Local Government Employees' Retirement System

	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>
Organization's proportion of the net pension (asset) liability (%)	0.399020%	0.361400%	-0.296340%
Organization's proportion of the net pension (asset) liability (\$)	\$ 8,468,546	\$ 1,621,946	\$ (1,747,654)
Organization's covered-employee payroll	26,700,357	24,821,723	22,101,861
Organization's proportionate share of the net pension asset as a percentage of its covered-employee payroll	31.72%	6.53%	-7.91%
Plan fiduciary net position as a percentage of the total pension asset**	91.47%	98.09%	102.64%

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

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

**VAYA HEALTH
OTHER POSTEMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
CONTRIBUTIONS
YEAR ENDED JUNE 30, 2017**

Local Government Employees' Retirement System

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,935,776	\$ 1,655,609	\$ 1,562,643
Contributions in relation to the contractually required contribution	1,954,467	1,673,466	1,562,643
Contribution deficiency (excess)	<u>\$ (18,691)</u>	<u>\$ (17,857)</u>	<u>\$ -</u>
Organization's covered-employee payroll	\$ 26,700,357	\$ 24,821,723	\$ 22,101,861
Contributions as a percentage of covered-employee payroll	7.25%	6.67%	7.07%

**SUPPLEMENTAL SCHEDULES
FOR
NC DIVISION OF MEDICAL ASSISTANCE REPORTING**

**VAYA HEALTH
SUPPLEMENTAL SCHEDULE
BALANCE SHEET – GOVERNMENTAL FUNDS – MODIFIED ACCRUAL BASIS
JUNE 30, 2017**

ASSETS

Cash and Cash Equivalents	\$ 70,284,854
Restricted Cash and Cash Equivalents	31,345,510
Accounts Receivable, Net of Allowance for Uncollectible Accounts and Contractual Allowances	15,452,259
Prepaid Expenses and Deposits	1,798,029
Other Assets	48,125
Total Assets	<u>\$ 118,928,777</u>

LIABILITIES

Accounts Payable	\$ 13,583,898
Accrued Expenses	3,103,225
Liability for Claims Incurred, but not Reported	14,872,020
Total Liabilities	<u>31,559,143</u>

FUND BALANCES

Nonspendable	1,846,154
Restricted:	
Stabilization of State Statute	15,452,259
Medicaid Risk Reserve	31,345,510
Committed	26,911,256
Unassigned	11,814,455
Total Fund Balances	<u>87,369,634</u>

Total Liabilities and Fund Balances	<u>\$ 118,928,777</u>
--	------------------------------

Amounts Reported in the Statement of Net Position are Different Because:

Fund Balance	\$ 87,369,634
Capital Assets Used in Governmental Activities are not Financial Resources and therefore, are not Reported in the Funds	3,329,421
Deferred Inflows and Outflows are not Reported in the Funds	8,385,024
Pension Liabilities are not a Financial Resource and therefore, are not Reported in the Funds	(9,382,207)
Deferred Liabilities for revenue and rent is not due and payable in the current period and, therefore is not Reported in the Funds	(178,428)
Liability for Compensated Absences is not Due and Payable in the Current Period and therefore, is not Reported in the Funds	(2,315,792)
	<u>\$ 87,207,652</u>

**VAYA HEALTH
SUPPLEMENTAL SCHEDULE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS – MODIFIED ACCRUAL BASIS
YEAR ENDED JUNE 30, 2017**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
State & Federal	\$ 54,309,955	\$ 61,877,541	\$ 60,038,370	\$ (1,839,171)
Local	2,934,598	2,946,773	2,946,773	-
Medicaid	311,024,602	323,730,798	326,818,634	3,087,836
Other Income	3,266,106	3,569,357	3,055,865	(513,492)
Total Revenues	<u>371,535,261</u>	<u>392,124,469</u>	<u>392,859,642</u>	<u>735,173</u>
EXPENDITURES				
Personnel & Professional Services	41,292,776	41,834,594	38,531,570	3,303,024
Supplies	305,909	344,358	245,459	98,899
Current Obligations	4,343,863	4,361,099	3,276,673	1,084,426
Fixed Expenses	3,624,316	5,187,041	4,897,511	289,530
Capital Outlay	1,299,298	2,735,020	2,633,267	101,753
Contracts	357,411,301	372,996,193	356,398,488	16,597,705
Total Expenditures	<u>408,277,463</u>	<u>427,458,305</u>	<u>405,982,968</u>	<u>21,475,337</u>
Revenues Over (Under) Expenditures Before Other Financing Sources	(36,742,202)	(35,333,836)	(13,123,326)	22,210,510
OTHER FINANCING SOURCES:				
Appropriated Fund Balance	<u>36,742,202</u>	<u>35,333,836</u>	<u>-</u>	<u>(35,333,836)</u>
Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(13,123,326)	<u>\$ (13,123,326)</u>
Fund Balance - Beginning			<u>100,492,960</u>	
FUND BALANCE - ENDING			<u>\$ 87,369,634</u>	

VAYA HEALTH
SUPPLEMENTAL SCHEDULE RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS – MODIFIED
ACCRUAL BASIS TO THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION
JUNE 30, 2017

Net Change in Fund Balances - Total Governmental Funds	\$ (13,123,326)
Governmental funds report capital outlays as expenditures. However, in the Statement of Revenues, Expenses, and Change in Net Position the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(818)
Expenses related to compensated absences in the statement of Revenues, Expenses, and Change in Net Position that do not require current financial resources are not reported as expenses in the funds.	(128,175)
OPEB and Pension funding in the statement of Revenues, Expenses, and Change in Net Position that do not require current financial resources are not reported in the funds.	(1,120,421)
Deferred revenues from prior years are shown as revenue on the full accrual basis.	888,481
Deferred revenues are shown as revenue on the modified accrual basis	(9,588)
Some expenses in the Statement of Revenues, Expenses, and Change in Net Position that do not require current financial resources are not reported as expenses on a modified accrual basis.	<u>(10,966)</u>
Decrease in Net Position	<u><u>\$ (13,504,813)</u></u>

VAYA HEALTH
SCHEDULE OF COMMITTED FUND BALANCES
JUNE 30, 2017

Unemployment Compensation	\$ 500,000
Annual Leave Payout	1,200,000
Community and Capital Reinvestment Initiative	9,716,517
30 Day Cash Operating Reserve	12,500,000
Postemployment Benefits	994,739
Insurance Premium Liability	1,000,000
Retention Risk Reserve	1,000,000
	<u>\$ 26,911,256</u>

Compliance Section

**CliftonLarsonAllen**CliftonLarsonAllen LLP
CLAconnect.com

**INDEPENDENT AUDITORS' 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**

Area Board of Directors
Vaya Health
Asheville, 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 business-type activities of the major fund of Vaya Health (the Organization), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated November 2, 2017.

Internal Control Over Financial Reporting

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

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

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

Area Board of Directors
Vaya Health

Compliance and Other Matters

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

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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Charlotte, North Carolina
November 2, 2017



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAAconnect.com

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Area Board of Directors
Vaya Health
Asheville, North Carolina

Report on Compliance for Each Major Federal and State Program

We have audited Vaya Health (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal and state programs for the year ended June 30, 2017. The Organization's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Organization 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 and state programs for the year ended June 30, 2017.

Area Board of Directors
Vaya Health

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or 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 federal or 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 federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



CliftonLarsonAllen LLP

Charlotte, North Carolina
November 2, 2017

**VAYA HEALTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
93.958	Block Grant for Community Mental Health Services
93.959	Block Grants for Prevention and Treatment of Substance Abuse
14.238	Shelter Plus Care

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 x yes _____ no

**VAYA HEALTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2017**

State Financial Assistance

1. Internal control over state projects:

- Material weakness(es) identified? yes x no
- Significant deficiency(ies) identified? yes x none reported

2. Type of auditors' report issued on compliance for state projects:

Unmodified

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

 yes x no**Identification of Major State Projects****CSFA Number(s)****Name of State Project**

536998

Single Stream Funding

536996001

Crisis Services – Local Psych Inpatient (3-way)

536998003

DOJ – Supported Employment

536996010

Community Based Services

Dollar threshold used to distinguish between Type A and Type B state projects:

\$ 500,000

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Prior Year Findings

There were no findings in the prior year that were required to be reported.

VAYA HEALTH
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2017

	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
Federal Awards				
<u>U.S. Department of Housing and Urban Development</u>				
Shelter Plus Care Program	14.238		\$ 876,534	\$ -
Total U.S. Department of Housing and Urban Development			876,534	-
<u>U.S. Department of Health and Human Services</u>				
<u>Substance Abuse and Mental Health Service Administration</u>				
Passed-through the NC Dept. of Health and Human Services: Division of Mental Health, Developmental Disabilities and Substance Abuse Services:				
Projects for Assistance in Transition from Homelessness (PATH)	93.150		196,561	-
Block Grant for North Carolina System of Care Expansion	93.104		173,686	-
Block Grant for Strategic Prevention Framework - Partnership for Success	93.243		173,311	-
Social Services Block Grant - Community Based Programs-Mental Health	93.667		547,812	-
Block Grant for Community Mental Health Services - Community Based Program-Mental Health	93.958		1,775,598	-
Block Grant for Prevention and Treatment of Substance Abuse - Substance Abuse-Substance Abuse Prevention	93.959		6,544,612	-
Total U.S. Department of Health and Human Services			9,411,580	-
Total Federal Awards			10,288,114	-
State Awards				
NC Department of Health and Human Services Division of Mental Health, Developmental Disabilities and Substance Abuse Services:				
Single Stream Funding		536998	-	44,331,457
DOJ - Supported Employment		536998003	-	506,449
Community Based Crisis		536996010	-	550,000
Crisis Services - Local Psych Inpatient (3-way)		536996001	-	5,071,500
DOJ - Housing		536998002	-	167,384
Total State Awards			-	50,626,790
Total Federal and State Awards			\$ 10,288,114	\$ 50,626,790

VAYA HEALTH
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2017

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the Federal and state grant activity of Vaya Health is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

NOTE 2 CONTINGENCIES

The Organization is subject to audit examination by the funding sources of grants to determine its compliance with certain grant provisions. In the event that expenditures could be disallowed through the audit, repayment of such disallowances could be required.

NOTE 3 INDIRECT COST RATE

The Organization has elected not to use the 10% de minimis cost rate.

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AGENDA ITEM 8:

MISCELLANEOUS ADMINISTRATIVE MATTERS

- A. Revision To The Resolution Ordering The Referendum For A Quarter-Cent Local Option Sales Tax With The Proceeds To Be Utilized For A 2 Cent Property Tax Rate Reduction In Watauga County*

MANAGER'S COMMENTS:

At the previous meeting, the Board adopted the attached resolution. May 17 was noted as the date of the primary. The actual date of the primary is May 8, 2018. Staff requests the Board adopt the attached resolution clarifying the date of the primary as May 8, 2018.

Board action is required.

STATE OF NORTH CAROLINA
COUNTY OF WATAUGA

DRAFT

**RESOLUTION ORDERING THE REFERENDUM
FOR A QUARTER-CENT LOCAL OPTION SALES TAX
WITH THE PROCEEDS TO BE UTILIZED FOR
A 2 CENT PROPERTY TAX RATE REDUCTION
IN WATAUGA COUNTY**

WHEREAS, Article 46, Subchapter 8, Chapter 105 of the North Carolina General Statutes (§105-535 through 538) provides counties with the authority to levy a local sales and use tax at a rate of one-quarter percent (0.25%); and

WHEREAS, the Watauga County property tax rate is currently \$0.353 and is the third lowest in the State of North Carolina; and

WHEREAS, the Watauga County Board of Commissioners discussed levying a local sales and use tax at a rate of one-quarter percent (0.25%) at their Annual Budget Retreat in 2017; and

WHEREAS, the proceeds from the additional one-quarter percent (0.25%) local sales and use tax would be used to reduce the property tax rate from \$0.353 to \$0.333.

NOW, THEREFORE, BE IT RESOLVED, pursuant to North Carolina General Statute 105-537, that the Watauga County Board of Commissioners hereby requests that the Watauga County Board of Elections conduct a special election advisory referendum on the ~~17th~~ **8th** day of May, 2018, for all of Watauga County with the following ballot question:

" FOR AGAINST

Local sales and use tax at the rate of one-quarter percent (0.25%) in addition to all other State and local sales and use taxes."

FURTHER BE IT RESOLVED that the Watauga County Board of Commissioners requests that, at such time the special election voting data is tabulated and certified, the Board of Elections forward said advisory referendum results to the Board of Commissioners in order to proceed as allowed in the above referenced statutes in Chapter 105 of the North Carolina General Statutes; and

BE IT FURTHER RESOLVED that the proceeds generated from this additional one-quarter percent (0.25%) sales tax shall be utilized to reduce the current property tax rate of \$0.353 by 2 cents and establishing the new property tax rate for Watauga County at \$0.333.

ADOPTED this the 6th day of February, 2018.

John Welch, Chairman
Watauga County Board of Commissioners

ATTEST:

Anita J. Fogle, Clerk to the Board

AGENDA ITEM 8:

MISCELLANEOUS ADMINISTRATIVE MATTERS

B. Boards and Commissions

MANAGER'S COMMENTS:

Watauga County Board of Adjustment

The terms of Bill Ragan, Baxter Palmer and Todd Rice expired in November. All three are willing to continue to serve if reappointed. NC Statutes require a representative (resident) of each zoned area in counties that have partial-county zoning such as Watauga. Mr. Rice represents the Valle Crucis Historic District, which is a small area with limited population, therefore small pool of potential representatives. Mr. Palmer is the alternate member and is the representative of the Foscoe-Grandfather zoned area. Mr. Ragan resides in the Howard Creek Watershed, which is not a zoned area in the traditional sense, but since the watershed ordinance was adopted under zoning authority, the County has attempted to appoint residents of those areas when possible.

The Pond Creek (Beech Mountain) Watershed Ordinance was not adopted under zoning authority as it is not large enough to qualify for partial-county zoning. Adam Rhyne resides in the South Fork New River/Winkler Creek/Middle Fork watershed (the boundaries adjoin and form one larger watershed-regulated area). David Hill and Charles Phillips are at-large members. Those 3 terms are not expiring this year. The new South Fork New River Watershed for the new Boone water intake does not have a representative.

Volunteer applications have been received from Mr. John Prickett, Mr. Joe Quinn, Mr. Michael Moore, and Ms. Alyson Browett. All four requested to serve on the Board of Adjustment; however, upon review, Mr. Moore's application indicates he lives in the Foscoe-Grandfather Community. He does not live within the zoned area or the community council designated area.

Mr. Prickett and Mr. Quinn are second readings and Ms. Browett is a first reading and, therefore, action may be taken if so desired.

Adult Care Home Community Advisory Committee

Mr. Harold Eller's term will expire March 3, 2018, on the Watauga County Adult Care Home Community Advisory Committee. He is willing to continue to serve an additional three-year term if reappointed. This is a second reading and, therefore, action may be taken if so desired.

Tourism Development Authority (TDA)

The terms of Mr. Jim Neustadt and Mr. Brad Moretz will expire February 28, 2018. The two seats must be occupied by someone representing a business that collects the occupancy tax in Watauga County. Mr. Wright Tilley, Watauga County TDA Director, has stated that both are willing to continue to serve an additional three-year term if reappointed. Ms. Alyson Browett

submitted an application indicating her interest in serving on the TDA; however, Mr. Wright Tilley has stated that she does not appear to meet the requirements of the TDA seats listed above. Only owners or operators of lodging properties that collect the occupancy tax in Watauga County are eligible for consideration of these seats. This is a second reading and, therefore, action may be taken if so desired.

WAMY Community Action

Ms. Joy Coffey's final term as a Public Sector representative for Watauga County ends on February 8, 2018. Ms. Melissa Soto, Executive Director of WAMY, requests a Commissioner or appointee be appointed to fill the four-year term.

Volunteer Application
Watauga County Boards And Commissions

If you are a Watauga County resident, at least 18 years old, and willing to volunteer your time and expertise to your community, please complete the application below and click on Print Form. Please sign and mail or fax to:

Watauga County Commissioners' Office
814 West King Street, Suite 205
Boone, NC 28607
Phone: (828) 265-8000
Fax: (828) 264-3230



Name: Alyson Browett
Home Address: 4556 NC Highway 194 S
City: Banner Elk Zip: 28604
Telephone: (H) 828-963-2696 (W) 540-764-0711 (Fax) _____
Email: abrowett@gmail.com
Place of Employment: self-employed
Job Title: Editor/Writer

In Order To Assure County wide Representation Please Indicate Your Township Of Residence:

- | | | |
|-------------------------------------|------------------------------------|--|
| <input type="radio"/> Bald Mountain | <input type="radio"/> Stony Fork | <input checked="" type="radio"/> Watauga |
| <input type="radio"/> New River | <input type="radio"/> Brushy Fork | <input type="radio"/> Cove Creek |
| <input type="radio"/> Beaver Dam | <input type="radio"/> Meat Camp | <input type="radio"/> Shawneehaw |
| <input type="radio"/> Blue Ridge | <input type="radio"/> Blowing Rock | <input type="radio"/> Laurel Creek |
| <input type="radio"/> Elk | <input type="radio"/> North Fork | <input type="radio"/> Boone |

In addition, Please Indicate If You Live In One Of The Following Areas:

- | | |
|--|---|
| <input type="radio"/> Foscoe-Grandfather Community | <input checked="" type="radio"/> Valle Crucis Historic District |
| <input type="radio"/> Howards Creek Watershed | <input type="radio"/> Winklers Creek Watershed |
| <input type="radio"/> South Fork New River Watershed | <input type="radio"/> Extraterritorial Area |

We Ask Your Help In Assuring Diversity Of Membership By Age, Gender, And Race, By Answering The Following Questions

- | | | |
|---|--|--------------------------------|
| Gender | Ethnic Background | |
| <input type="radio"/> Male | <input type="radio"/> African American | <input type="radio"/> Hispanic |
| <input checked="" type="radio"/> Female | <input checked="" type="radio"/> Caucasian | <input type="radio"/> Other |
| | <input type="radio"/> Native American | |

Please List (In Order Of Preference) The Boards/Commissions On Which You Would Be Willing To Serve.

1. Watauga County Board Of Adjustment
2. Valle Crucis Historic Preservation Commission
3. Watauga County Tourism Development Authority

Volunteer Application
Watauga County Boards And Commissions
(Continued)

Please list any work, volunteer, and/or other experience you would like to have considered in the review of your application.

Work
Experience:

Kaiser Family Foundation
Managing Editor, Kaiser Daily Global Health Policy Report, 2011-Present

Appalachian Trail Conservancy
Writer, 2017-Present

American Institute for Cancer Research
Writer, 2010-Present

Edible Complex, LLC
Owner/Lifestyle Consultant, 2007-2011

Volunteer
Experience:

Valle Crucis Community Park
Board Secretary, 2018; Member, Board of Directors, 2016-present

Appalachian Trail Conservancy
Appalachian Trail Community Ambassador-At-Large, 2013-present

Cystic Fibrosis Foundation
Xtreme Hike Planning Committee Member, Volunteer, 2014-present

Warrior Hike/Warrior Expeditions
Secretary of the Board, Program Manager, 2013-2014

Other
Experience:

EDUCATION

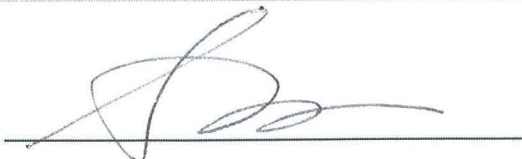
Johns Hopkins Bloomberg School of Public Health, Baltimore, Maryland
MPH, International Health; Certificate, Health Communication, May 2000

Davidson College, Davidson, North Carolina
BA, International Health Care Policy, May 1996

School for international Training, Harare, Zimbabwe
Study Abroad, 1994

Other
Comments:

Signature:



Date:

Feb. 6, 2018

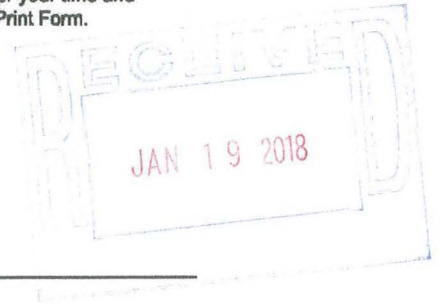
Print Form

Reset Form

Volunteer Application
Watauga County Boards And Commissions

If you are a Watauga County resident, at least 18 years old, and willing to volunteer your time and expertise to your community, please complete the application below and click on Print Form.
Please sign and mail or fax to:

Watauga County Commissioners' Office
814 West King Street, Suite 205
Boone, NC 28607
Phone: (828) 265-8000
Fax: (828) 264-3230



Name: John Prickett
Home Address: 5321 Howard's Creek Rd
City: Boone Zip: 28607
Telephone: (H) 504 451 2669 (C) (W) (Fax)
Email: johnprickett222@gmail.com
Place of Employment: Retired
Job Title: (Previously) Quality Assurance Manager Rubicon LLC

In Order To Assure County wide Representation Please Indicate Your Township Of Residence:

- | | | |
|-------------------------------------|------------------------------------|--|
| <input type="radio"/> Bald Mountain | <input type="radio"/> Stony Fork | <input checked="" type="radio"/> Watauga |
| <input type="radio"/> New River | <input type="radio"/> Brushy Fork | <input type="radio"/> Cove Creek |
| <input type="radio"/> Beaver Dam | <input type="radio"/> Meat Camp | <input type="radio"/> Shawneehaw |
| <input type="radio"/> Blue Ridge | <input type="radio"/> Blowing Rock | <input type="radio"/> Laurel Creek |
| <input type="radio"/> Elk | <input type="radio"/> North Fork | <input type="radio"/> Boone |

In addition, Please Indicate If You Live In One Of The Following Areas:

- | | |
|--|--|
| <input type="radio"/> Foscoe-Grandfather Community | <input type="radio"/> Valle Crucis Historic District |
| <input checked="" type="radio"/> Howards Creek Watershed | <input type="radio"/> Winklers Creek Watershed |
| <input type="radio"/> South Fork New River Watershed | <input type="radio"/> Extraterritorial Area |

We Ask Your Help In Assuring Diversity Of Membership By Age, Gender, And Race, By Answering The Following Questions

- | | | |
|---------------------------------------|--|--------------------------------|
| Gender | Ethnic Background | |
| <input checked="" type="radio"/> Male | <input type="radio"/> African American | <input type="radio"/> Hispanic |
| <input type="radio"/> Female | <input checked="" type="radio"/> Caucasian | <input type="radio"/> Other |
| | <input type="radio"/> Native American | |

Please List (In Order Of Preference) The Boards/Commissions On Which You Would Be Willing To Serve.

1. Watauga County Board Of Adjustment
- 2.
- 3.

Volunteer Application
Watauga County Boards And Commissions
(Continued)

Please list any work, volunteer, and/or other experience you would like to have considered in the review of your application.

Work
Experience:

PhD Organic Chemist retired from chemical industry. Spent 2 years early in my career as a Process Engineer. Worked several years in Canada and the Netherlands, but mainly in southern Louisiana where I managed the laboratories (including the environmental lab), product development, process chemistry, and product quality for Rubicon LLC.
I had budgetary responsibility for 5 departments (Quality Control, Environmental Lab, Process Chemistry, Product Development/Performance Testing, and the Pilot Plant).

Volunteer
Experience:

Currently a New River Water Watcher on Howard's Creek.
Boone Water Use Committee.
Currently on the Boone Sustainability, Environmental, and Economics Committee.
High Country Lifelong Learners.

Other
Experience:

Several years of University teaching.
Captain US Army Ordinance/Chemical Corps during Vietnam era.
Member of Blue Ridge Hiking Club.

Other
Comments:

I have enjoyed supporting the town of Boone on several committees, however I would also like to be involved in activities affecting the actual area where I live (in the Howard's Creek area). This appointment would be an opportunity to do that.

Signature: John P. Puckett

Date: 1/19/18

Print Form

Reset Form

Volunteer Application
Watauga County Boards And Commissions

If you are a Watauga County resident, at least 18 years old, and willing to volunteer your time and expertise to your community, please complete the application below and click on Print Form.
Please sign and mail or fax to:

Watauga County Commissioners' Office
814 West King Street, Suite 205
Boone, NC 28607
Phone: (828) 265-8000
Fax: (828) 264-3230

Name: Joe Quinn
Home Address: 345 Doe Ridge Road
City: Boone Zip: 28607
Telephone: (H) 828-264-7489 (W) _____ (Fax) _____
Email: joequinn57@hotmail.com
Place of Employment: Appalachian State University
Job Title: Adjunct Faculty

In Order To Assure County wide Representation Please Indicate Your Township Of Residence:

- | | | |
|-------------------------------------|--|------------------------------------|
| <input type="radio"/> Bald Mountain | <input type="radio"/> Stony Fork | <input type="radio"/> Watauga |
| <input type="radio"/> New River | <input type="radio"/> Brushy Fork | <input type="radio"/> Cove Creek |
| <input type="radio"/> Beaver Dam | <input checked="" type="radio"/> Meat Camp | <input type="radio"/> Shawneehaw |
| <input type="radio"/> Blue Ridge | <input type="radio"/> Blowing Rock | <input type="radio"/> Laurel Creek |
| <input type="radio"/> Elk | <input type="radio"/> North Fork | <input type="radio"/> Boone |

In addition, Please Indicate If You Live In One Of The Following Areas:

- | | |
|--|--|
| <input type="radio"/> Foscoe-Grandfather Community | <input type="radio"/> Valle Crucis Historic District |
| <input checked="" type="radio"/> Howards Creek Watershed | <input type="radio"/> Winklers Creek Watershed |
| <input type="radio"/> South Fork New River Watershed | <input type="radio"/> Extraterritorial Area |

We Ask Your Help In Assuring Diversity Of Membership By Age, Gender, And Race, By Answering The Following Questions

- | | | |
|---------------------------------------|--|--------------------------------|
| Gender | Ethnic Background | |
| <input checked="" type="radio"/> Male | <input type="radio"/> African American | <input type="radio"/> Hispanic |
| <input type="radio"/> Female | <input checked="" type="radio"/> Caucasian | <input type="radio"/> Other |
| | <input type="radio"/> Native American | |

Please List (In Order Of Preference) The Boards/Commissions On Which You Would Be Willing To Serve.

1. Watauga County Board Of Adjustment
2. _____
3. _____

Volunteer Application
Watauga County Boards And Commissions
(Continued)

Please list any work, volunteer, and/or other experience you would like to have considered in the review of your application.

Work
Experience:

Senior Instructor and Course Director, North Carolina Outward Bound School
Classroom Teacher, New Hanover County Schools, Watauga County Schools
Director of Outdoor Programs, Appalachian State University
Adjunct Faculty, Appalachian State University, Caldwell CC&TI

Volunteer
Experience:

American Alpine Club Grand Teton Climbers Ranch Work Week volunteer
North Carolina Special Olympics volunteer

Other
Experience:

Field work survey for Northern Peaks Trail

Other
Comments:

I have been a county resident for 35 years. I feel I could bring valuable perspective and skills relative to issues to be considered by the board.

Signature: Joe Quinn

Date: 1/30/18

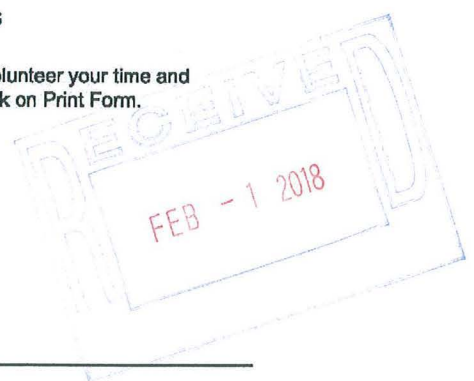
Print Form

Reset Form

Volunteer Application Watauga County Boards And Commissions

If you are a Watauga County resident, at least 18 years old, and willing to volunteer your time and expertise to your community, please complete the application below and click on Print Form. Please sign and mail or fax to:

Watauga County Commissioners' Office
814 West King Street, Suite 205
Boone, NC 28607
Phone: (828) 265-8000
Fax: (828) 264-3230



Name: Michael J. Moore
Home Address: 150 Houndstooth Trail
City: Boone, Zip: 28607
Telephone: (H) 828-963-2720 (C) 828-964-1871 (Fax) _____
Email: michaelmoore@skybest.com
Place of Employment: Retired
Job Title: _____

In Order To Assure County wide Representation Please Indicate Your Township Of Residence:

- | | | |
|-------------------------------------|------------------------------------|--|
| <input type="radio"/> Bald Mountain | <input type="radio"/> Stony Fork | <input checked="" type="radio"/> Watauga |
| <input type="radio"/> New River | <input type="radio"/> Brushy Fork | <input type="radio"/> Cove Creek |
| <input type="radio"/> Beaver Dam | <input type="radio"/> Meat Camp | <input type="radio"/> Shawneehaw |
| <input type="radio"/> Blue Ridge | <input type="radio"/> Blowing Rock | <input type="radio"/> Laurel Creek |
| <input type="radio"/> Elk | <input type="radio"/> North Fork | <input type="radio"/> Boone |

In addition, Please Indicate If You Live In One Of The Following Areas:

- | | |
|---|--|
| <input checked="" type="radio"/> Foscoe-Grandfather Community | <input type="radio"/> Valle Crucis Historic District |
| <input type="radio"/> Howards Creek Watershed | <input type="radio"/> Winklers Creek Watershed |
| <input type="radio"/> South Fork New River Watershed | <input type="radio"/> Extraterritorial Area |

We Ask Your Help In Assuring Diversity Of Membership By Age, Gender, And Race, By Answering The Following Questions

- | | | |
|---------------------------------------|--|--------------------------------|
| Gender | Ethnic Background | |
| <input checked="" type="radio"/> Male | <input type="radio"/> African American | <input type="radio"/> Hispanic |
| <input type="radio"/> Female | <input checked="" type="radio"/> Caucasian | <input type="radio"/> Other |
| | <input type="radio"/> Native American | |

Please List (In Order Of Preference) The Boards/Commissions On Which You Would Be Willing To Serve.

1. Board of Adjustment
2. _____
3. _____

Volunteer Application
Watauga County Boards And Commissions
(Continued)

Please list any work, volunteer, and/or other experience you would like to have considered in the review of your application.

Work
Experience:

Appalachian State Univ., Professor of History 1971-2006
Managing Partner, Martin House Properties, Blowing Rock 2009-

Volunteer
Experience:

Watauga County Humane Society 2007-13
numerous ad hoc activity with Friends of the Library, The
Jones House, Health & Hunger Coalition, B. Rock Chamber of Commerce
Board member, Watauga County Arts Council 2010-11

Other
Experience:

Other
Comments:

Signature: _____

Date: _____

Print Form

Reset Form

Brenda Lyerly
Chair of the Board

Johnny Riddle
Vice-Chair



Chris Jones
Secretary

Valerie Jaynes
Treasurer

468 New Market Blvd.
Boone, NC 28607

www.regiond.org

Voice: 800-735-8262

Phone: 828-265-5434
Fax: 828-265-5439



January 30, 2018

Clerk to the Board
Ms. Anita J. Fogle
814 West King Street, Suite 205
Boone, North Carolina 28607

Dear Ms. Fogle:

The term of appointment of Mr. Harold Eller to the Watauga County Adult Care Home Community Advisory Committee will expire March 3, 2018. He has indicated his desire to be reappointed for an additional three-year term.

Please submit Mr. Eller's name to the Commissioners for their consideration and let me know their decision at your earliest convenience. The request for renomination is attached.

Sincerely,

A handwritten signature in black ink that reads "Stevie M. John".

Stevie M. John
Regional Long Term Care Ombudsman

Enclosure
Renomination form

RENOMINATION FORM

LONG TERM CARE
COMMUNITY ADVISORY COMMITTEE

Nominee Background Information

Name HAROLD ELLER

Home Address 924 Old Hwy 421 S Phone(H) 828-269-5188

BOOMING, NC Zip Code 28607

Business Address N/A Phone (W) _____

Zip Code _____

Email Address N/A

Occupation Retired

Number of hours available per month for this position 4-8

Education B.S. DEGREE - BUSINESS - Economics Minor Psychology

Business and civic experience and skills BANKING & REAL ESTATE - ON BOARDS AT SENIOR COMPANION PROGRAM, DEEP GAP FIRE DEPT, DEEP GAP ROTARIAN

Areas of expertise and interest/skills MANAGEMENT & SUPERVISION - ENJOY GOLF Fishing - ALWAYS DESIRED BEST OF BENEFIT AND HELPING THE ELDERLY.

THE FOLLOWING PERSONS ARE EXCLUDED BY LEGISLATION FROM SERVING ON THE COMMITTEE:

1. Persons or immediate family member of persons with a financial interest in a home served by a committee.
2. An employee or governing board member or immediate family member of an employee or governing board member of a home served by a committee. (A person paid by a home as a consultant is considered an employee).
3. The immediate family member of a patient in a home served by a committee. An "immediate family member" is defined as mother, father, sister, brother, spouse, child, grandmother, grandfather, and in-laws for the above.

I CERTIFY THAT NONE OF THE EXCLUSIONS LISTED ABOVE APPLY TO ME. I UNDERSTAND THAT I MUST NOTIFY THE OMBUDSMAN IMMEDIATELY IF MY SITUATION CHANGES WITH RESPECT TO THE ABOVE EXCLUSIONS.

Harold Eller Date 1-24-18
Signature of Applicant

Nomination form submitted by Steve [Signature] Name



TO: Deron Geouque, Watauga County Manager
Watauga County Commissioners

FROM: Wright Tilley, Executive Director – Watauga County TDA

RE: TDA BOARD APPOINTMENTS

DATE: 1/25/18

Deron and County Commissioners;

We have (2) seats on the Watauga County Tourism Development Authority (WCTDA) Board that will expire at the end of February. These two seats must be occupied by someone representing a business that collects the occupancy tax in Watauga County. Those seats are currently being held by Jim Neustadt of Valle Crucis Log Cabin Rentals and by Brad Moretz of Appalachian Ski Mountain. In addition to operating the ski resort, Appalachian Ski Mountain also has lodging around the ski resort that they manage and collect the occupancy tax from.

Both Mr. Neustadt and Mr. Moretz are willing and interested in serving another 3-year term on the TDA board.

On behalf of the WCTDA, we would like to ask that both be re-appointed to new 3-year terms. Jim and Brad have been very active board members, have excellent attendance records, and have a wide knowledge of our tourism product. Additionally, both meet the occupancy tax collection requirement for these two seats.

Thank you for your consideration.





W.A.M.Y. COMMUNITY ACTION, INC.

225 Birch Street, Suite 2, Boone, North Carolina 28607-2688

Telephone: 828.264.2421 Fax: 828.264.0952

1-800-571-WAMY

Email: info@wamycommunityaction.org

#breakingthecycleofpoverty

January 30, 2018

Mr. John Welch, Chairman
 Watauga County Board of Commissioners
 365 Keystone Drive
 Boone, NC 28607

RE: WAMY Board Appointment

Dear Mr. Welch:

WAMY Community Action, Inc. is required by the NC State Administrative Code to have 1/3 of our Board members appointed by local government officials. Currently, Joy Coffey is serving as the Public Sector representative for Watauga County. Joy's final term will end February 8, 2018, so we need a new representative.

We would love for you or another one of the Commissioners to serve in that capacity; however, I am aware that may be difficult due to your many other obligations. Our Board meets bi-monthly on the 2nd Tuesday at 5:00 p.m. in the Avery County Commissioners Board Room. Our next meeting will be February 6, 2018. Board terms are for four years with an option for an additional four. After eight consecutive years, Members must rotate off the Board for at least one year.

Joy's banking experience and financial knowledge have been a great asset to our Board and we would love to have someone else appointed who has some expertise in that area. Our other Watauga County Board Members are:

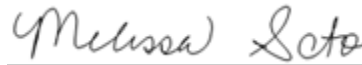
Bobbie Willard, Chair	Low Income Representative
Sue Counts	Low Income Representative
Emily Bish	Private Sector Representative
Jennifer Brown	Low Income Representative

I would be more than happy to meet with you or anyone you recommend to give them more information about the agency and their role as a Board Member. As our largest county, it is imperative that our representatives from Watauga County are active and excited about helping

WAMY achieve their mission of working with communities and families to bring the disadvantaged the support and tools they need to become self-sufficient.

Thank you so much for your assistance in filling our vacant Board seat. Please let me know if you have any questions or need any additional information from me.

Respectfully,



Melissa Soto
Executive Director

Cc: Deron Geouque

AVERY COUNTY
723 Cranberry Street
Newland, NC 28657
828-733-0156

MITCHELL/YANCEY COUNTY
261 Oak Avenue
Spruce Pine, NC 28777
828-766-9150

"W.A.M.Y. Community Action, Inc. is an equal opportunity employer, program, and lender.
Auxiliary aids and services are available upon request to individuals with disabilities."

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AGENDA ITEM 8:

MISCELLANEOUS ADMINISTRATIVE MATTERS

C. Announcements

MANAGER'S COMMENTS:

The Annual Pre-Budget Retreat will be held on Monday, February 19, 2018, beginning at 12:00 P.M., and will reconvene on Wednesday, February 21, 2018, at 8:30 A.M.

AGENDA ITEM 9:

PUBLIC COMMENT

AGENDA ITEM 10:

BREAK

AGENDA ITEM 11:

CLOSED SESSION

Attorney/Client Matters – G. S. 143-318.11(a)(3)

Land Acquisition – G. S. 143-318.11(a)(5)(i)

Personnel Matters – G. S. 143-318.11(a)(6)

AGENDA ITEM 12:

POSSIBLE ACTION AFTER CLOSED SESSION