

ALAMANCE COUNTY
NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2017

PREPARED BY ALAMANCE COUNTY FINANCE DEPARTMENT

ALAMANCE COUNTY, NORTH CAROLINA

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Financial Statements and Schedules

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INTRODUCTORY SECTION

- *Letter of Transmittal*
- *GFOA Certificate of Achievement*
- *Principal Officials*
- *Organizational Chart*

Alamance County, North Carolina
Financial Statements and Schedules

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Finance Department

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Susan D. Roberts

Finance Officer

November 15, 2017

Residents of Alamance County

The Honorable Board of County Commissioners

Alamance County, North Carolina

It is my pleasure to submit the Comprehensive Annual Financial Report for Alamance County, North Carolina for the fiscal year ended June 30, 2017. North Carolina State law requires all general-purpose local governments to publish within four months of the close of each fiscal year a complete set of financial statements. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report complies with the requirements of GASB Statement No. 34.

The Comprehensive Annual Financial Report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed to protect County assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of the internal controls should not outweigh their benefits, the County's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As managements, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Martin Starnes & Associates, CPAs, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2017 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federal and state mandated, "Single Audit" designed to meet the special needs of grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These auditor reports are available in the Single Audit section of this report.

GAAP requirements specify that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Some information traditionally reported in the letter of transmittal is now included in the MD&A as required. The County's MD&A can be found immediately following the report of the independent auditors.

The County

Alamance County is a growing county located in central North Carolina. The County's geographic location places it at a point straddling the I-85/I-40 corridor with the Triad region immediately to the west and the Triangle immediately to the east. The I-85/I-40 corridor is considered one of the most dynamic business growth corridors stretching from the mid-Atlantic to the southeast region of the U.S. The County's position between two major metropolitan areas of the state provides the County with an enviable position for future growth.



Photo copyright by Alamance County

Alamance County was founded in 1849 by an act of the General Assembly and covers a land area of 431 square miles. The county seat is the City of Graham, founded in 1851. The county has 10 municipalities located within its borders. The City of Burlington is the largest municipality and the Town of Ossipee, formed in 2002, is the newest municipality. The County operates under the commissioner-manager form of government. The five members of the Board of Commissioners are elected at-large and serve staggered four year terms. The Commissioners are responsible for the legislative affairs of the County. They are also responsible for making appointments to various statutory and advisory boards, and they appoint the County Manager, County Attorney and Clerk to the Board. The County Manager is the chief executive officer of the County and is responsible for the enforcement of all laws, ordinances, and policies, the efficient delivery of County services, and the preparation of capital and operating budgets. The County employs approximately 861 full-time, regular staff.

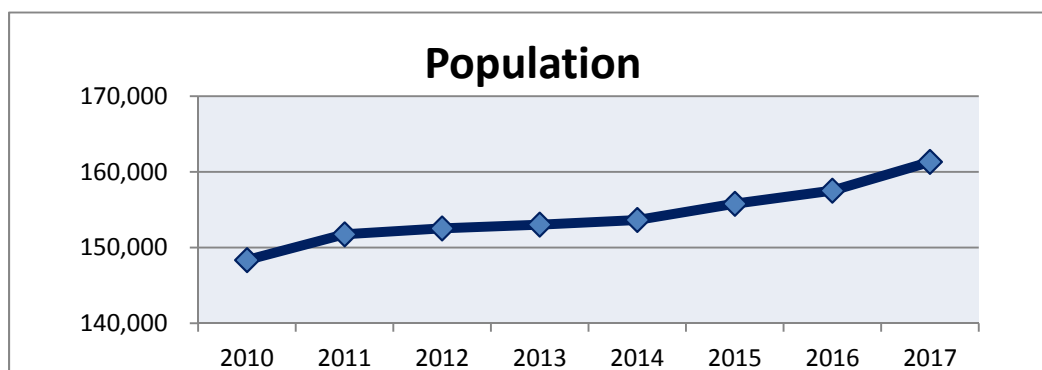
The County provides its citizens with a wide range of services including sheriff and fire protection, solid waste management, health and social services, cultural and recreational activities, general government administration, and others. In addition to the direct service provision provided, the County also extends significant financial support to other boards, agencies and commissions. These include Alamance-Burlington School System, Alamance Community College, Alamance County Tourism Development Authority, Alamance County Transportation Authority, and Burlington-Alamance Airport Authority.



County residents pride themselves on the quality of life they enjoy. Strong city centers, beautiful open space, a strong history dating back to the beginning of the country, and a "small town" character all contribute to a high level of pride citizens have in their community. The County warmly welcomes visitors, new residents, and new businesses alike.

Population

The estimated 2017 population for the County was 161,309, representing an 8.7% increase from the 2010 estimated population of 148,338. Projections indicate a constant level of growth for 2017-2018. Due to Alamance County's location in the Central Piedmont area between the cities of Greensboro and Raleigh, we continue to see more people moving into the county.



Economic Conditions and Outlook

The information presented in the financial statements may be better understood when it is viewed from the broader perspective of the economic and social environment within which the County operates.

The economy of the county has traditionally been driven by companies in the manufacturing sector, most notably the textile industry. This closely mirrors the State as a whole. This situation frequently results in the county's local economy being in a position at the leading edge of whatever direction the larger economy is trending. When the economy is strong, the county is one of the strongest. Unfortunately, when the economy weakens, the county tends to be hit harder than other locations. This has been true in recent years. As the economy rebounds, the unemployment rate as of June 2017 was 4.4 percent as compared to 4.5 percent statewide.

Alamance County's economy continues to see positive signs that improvements are in our future. The county unemployment rate has declined over the past year due to slight job creation accompanied by an absolute decline in our work force. The county's top employers now represent industries in health care and education, both of which tend to survive economic downturns quite well. The county has continued to encourage a diversification of the economy and seek a wide variety of industries to create jobs in the community. For example, during the past decade the percentage of workers in the manufacturing sector has decreased drastically.

The county continues to experience major corporate announcements with existing companies expanding as well as new businesses and industries. Our local economy continues to see diverse job opportunities as the North Carolina Commerce Park continues to be developed. Positive consumer confidence, combined with additional development at Alamance Crossing and the continued success of Tanger Outlet Center, has resulted in increased sales tax revenue compared to prior year levels. This trend will hopefully continue into the future.

Expected growth in the county will result in the continued increase in the tax base and our largest revenue source, property taxes. In the last revaluation of its property tax base whose values became effective January 1, 2017, the County saw the tax base grow by 9.1% to \$13.6 billion from the last revaluation completed in 2009. Our second largest revenue, sales tax, in recent years has been impacted by the economy. However, growth is returning. Sales tax has increased by 39.1% since 2012. As the economy continues to strengthen, the sales tax base grows.

Management Policies

The County closely monitors resources and has engaged in aggressive program efficiency and cost containment efforts, allowing the County to maintain a strong financial position and make progress toward improving that position. I believe the changes in the economic environment in the area and the diligent management of County costs and services will provide ongoing financial stability and fiscal capacity. Management works with departments to keep cost at a minimum without reducing services to our citizens. Fund Balance is also watched very closely to ensure the County has adequate reserves to fund projects and to keep the tax rate at a necessary funding level.

Major Initiatives

During the year, the County engaged in several initiatives to ensure our ability to continue to meet long-term expectations. In adopting the budget for FY 2016-2017, the Board of Commissioners approved maintaining an ad valorem tax rate of \$0.58.

County departments were diligent in monitoring departmental budgets to keep cost within or below budget appropriations. The Board of Commissioners approved allocations for increases in salaries, capital outlay equipment purchases and school funding.

The Future

The fiscal year 2017-2018 budget was adopted with a tax rate of \$0.58. Some major features of the 2016-2017 budget include:

- Personnel – 13 new positions, with the majority in Human Services and Public Safety departments.
- Capital Outlay – Allocation of \$296,574 for technology infrastructure and equipment, \$437,137 for vehicles - the majority for ambulances and remounts, \$170,452 for building improvements, and \$286,180 for library materials.
- Transfer to Other Funds – an allocation of \$250,000 for the County Buildings Capital Reserve Fund.

Awards and Acknowledgements

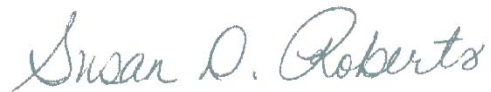
The County has participated in the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program since 1991. GFOA recognizes governmental units that issue their comprehensive annual financial report (CAFR) substantially in conformity with GAAP and all legal requirements. The County has received this award, the highest form of recognition awarded in the field of governmental financial accounting, for its comprehensive annual financial report for all years beginning with and since 1991, including the 2016 report. In order to be awarded a Certificate of Achievement a governmental unit must publish an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. I believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and I intend to submit it to the GFOA to determine its eligibility for another certificate.

The preparation of this report has been accomplished by the efficient, effective and dedicated staff of the Finance Department with assistance from the independent auditors, Martin Starnes & Associates, CPAs, P.A. The contributions of all are invaluable and reflect the high standards of service we have set for ourselves.

I would also like to thank the Board of Commissioners and the County Manager for making possible the excellent financial position of the County through their interest and support in planning and conducting the financial affairs of the County in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in cursive script that reads "Susan D. Roberts".

Susan D. Roberts
Finance Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Alamance County
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Christopher P. Morill

Executive Director/CEO

ALAMANCE COUNTY, NORTH CAROLINA

PRINCIPAL OFFICIALS

Board of County Commissioners 2016-2017



Seated from left: Vice Chair - William H. Lashley, Chair - Eddie Boswell, Amy Scott Galey
Standing from left: Robert Byrd, Timothy D. Sutton

County Administrative and Financial Staff

J. Bryan Hagood, *County Manager*

Sherry T. Hook, *Assistant County Manager*

Bruce A. Walker, Jr., *Assistant County Manager*

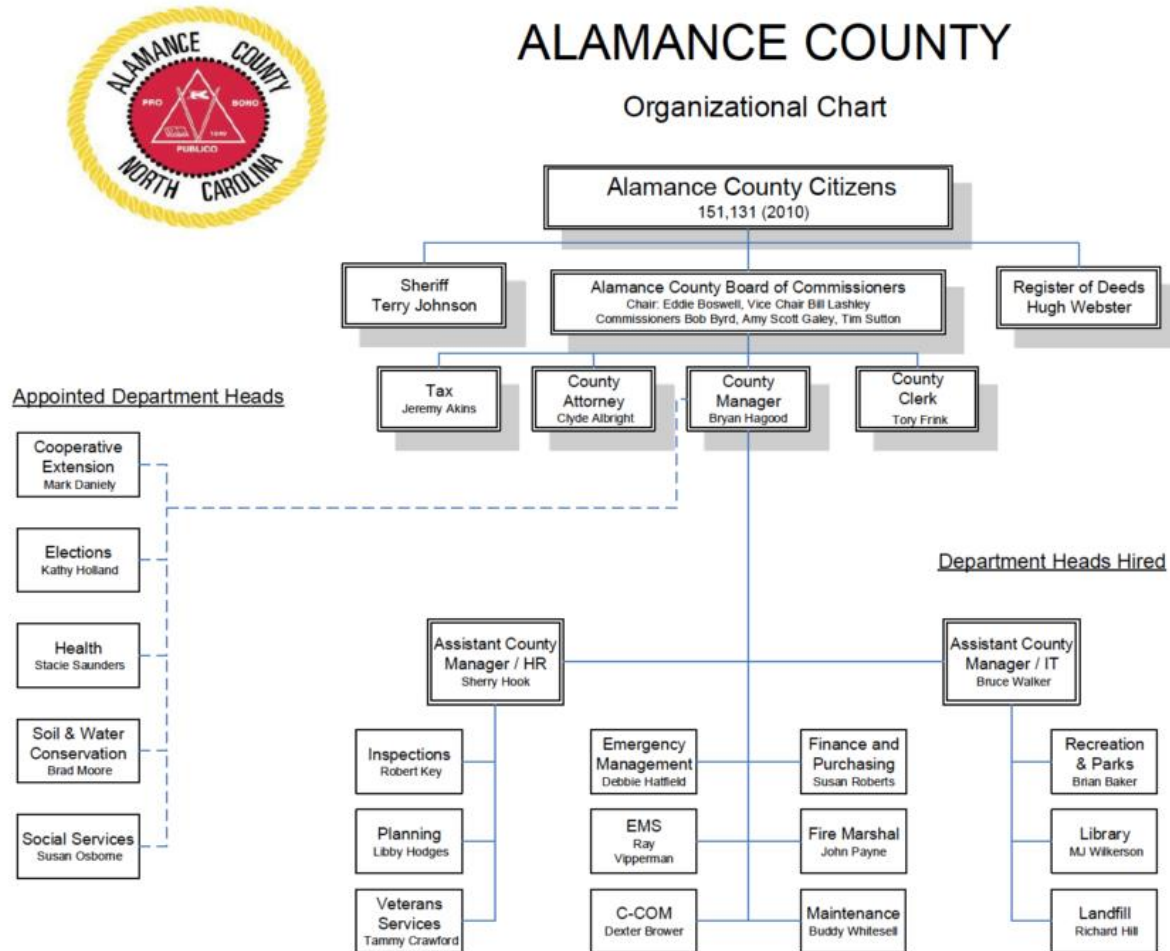
Clyde B. Albright, *County Attorney*

Tory M. Frink, *Clerk to the Board*

Susan D. Roberts, *Finance Officer*

ALAMANCE COUNTY, NORTH CAROLINA

Organization Chart - June 30, 2017



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FINANCIAL SECTION

- *Independent Auditor's Report*
- *Management's Discussion and Analysis*
- *Basic Financial Statements*
- *Notes to the Financial Statements*

Alamance County, North Carolina
Financial Statements and Schedules

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MARTIN STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Alamance County
Graham, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Alamance County, North Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Alamance County Transportation Authority, which represents 57.45%, 53.07%, and 78.26% of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Alamance County Transportation Authority, is based solely on the report of another auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Alamance County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Alamance County, North Carolina, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 17 to the financial statements, for fiscal year ending June 30, 2017, the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) No. 73, Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Alamance County's basic financial statements. The introductory information, combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, other supplemental schedules, and statistical section, as well as the accompanying Schedule of Expenditures of Federal and State Awards as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, other supplemental schedules, 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, other supplemental schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory information and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2017 on our consideration of Alamance County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of Alamance County'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 Alamance County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
November 15, 2017

Alamance County, North Carolina
Financial Statements and Schedules

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Management's Discussion and Analysis

As management of Alamance County, we offer readers of Alamance County's financial statements this narrative overview and analysis of the financial activities of Alamance County for the fiscal year ended June 30, 2017. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

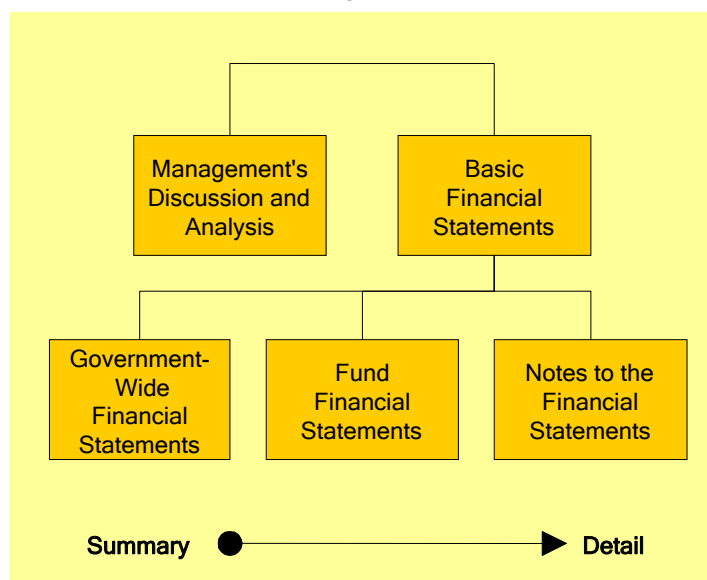
Financial Highlights

- The assets and deferred outflows of resources of Alamance County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$32,849,128 (net position).
- The government's total net position decreased by \$14,241,037, primarily due to an increase in bond proceed spending for the Alamance Community College Advanced Applied Technology Center.
- As of the close of the current fiscal year, Alamance County's governmental funds reported combined ending fund balances of \$53,084,570, an increase of \$4,579,409 in comparison with the prior year. Approximately 29% of this total amount, or \$15,294,249, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$26,350,853, or 18.3%, of total General Fund expenditures for the fiscal year.
- Alamance County's total bond and financing debt increased by \$9,212,358 during the current fiscal year.
- Alamance County has a bond rating of Aa2 from Moody's Investors and AA from Standard & Poor's Rating Services. The County's consistently strong budgetary performance and the adoption of an enhanced formal reserve policy have led to sustained increases in the County's reserve levels.

Overview of the Financial Statements

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

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

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

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

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

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

Government-Wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, education, and general administration. Property taxes, sales taxes, and Federal and State grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. This includes the landfill services offered by Alamance County. The final category is the component units.

The Alamance County Tourism Development Authority is a public authority promoting the development of travel, tourism, and conventions in the County. The County is responsible for appointing the governing body of the Authority and is required by State statute to distribute two-thirds of a three percent local occupancy tax to the Authority for its operations. Although the Authority is a legally separate entity from the County, it is important to the County because the County is financially accountable for the Authority.

The Alamance County Transportation Authority is a public authority providing public transportation services in the County. The Authority receives the majority of its funding from charges for services and grants from other governments. Although the Authority is a legally separate entity from the County, it is important to the County because the County is financially accountable for the Authority by appointing its members.

The Alamance County Industrial Facility and Pollution Control Financing Authority exists to issue and service revenue bond debt of private businesses for economic development purposes. The County is responsible for appointing the seven Board members of the Authority. The Authority has no financial transactions or account balances; therefore, it is not presented in the financial statements nor does the Authority issue separate financial statements.

The government-wide financial statements are on Exhibits A and B of this report.

Fund Financial Statements

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

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

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

Proprietary Funds. Alamance County has two kinds of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Alamance County uses an Enterprise Fund for its landfill operations. Internal service funds are used to account for centralized services provided on a cost-reimbursement basis. The County maintains two such funds. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Alamance County has three fiduciary funds, two of which are expendable trust funds and ten agency funds.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Alamance County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information immediately follows the notes to the financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of Alamance County exceeded liabilities and deferred inflows of resources by \$32,849,128 as of June 30, 2017. The County's net position for governmental activities decreased by \$14,775,530 for the fiscal year ended June 30, 2017. One of the largest portions (210%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Alamance County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Alamance County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

Alamance County, along with many other counties in North Carolina, funds school facilities that become assets of the school district and community college facilities that become property of the community college, through the issuance of debt. General obligation bonds have been issued by the County to fund the majority of the cost of these assets. The County's liabilities at June 30, 2017 include outstanding general obligation debt of approximately \$48 million related to funding these non-County assets. This represents 100.0% of the County's outstanding general obligation debt. Because the County does not retain the related assets, this debt liability (less any unspent proceeds) reduces the County's total net position and presents a less favorable picture as compared to governments that do not extensively fund the capital assets of other governmental entities.

Alamance County's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 56,824,884	\$ 54,657,434	\$ 20,402,541	\$ 19,917,438	\$ 77,227,425	\$ 74,574,872
Capital assets	60,971,122	62,099,680	13,790,606	13,063,349	74,761,728	75,163,029
Total assets	117,796,006	116,757,114	34,193,147	32,980,787	151,989,153	149,737,901
Total deferred outflows of resources	12,652,569	3,788,822	238,464	55,884	12,891,033	3,844,706
Long-term liabilities outstanding	116,671,505	89,663,915	11,865,016	10,981,166	128,536,521	100,645,081
Other liabilities	2,773,160	2,041,790	114,182	117,849	2,887,342	2,159,639
Total liabilities	119,444,665	91,705,705	11,979,198	11,099,015	131,423,863	102,804,720
Total deferred inflows of resources	596,647	1,675,074	10,548	30,284	607,195	1,705,358
Net position:						
Net investment in capital assets	55,191,002	55,056,788	13,790,606	13,063,349	68,981,608	68,120,137
Restricted	15,799,919	14,915,071	-	-	15,799,919	14,915,071
Unrestricted	(60,583,658)	(42,806,702)	8,651,259	8,844,023	(51,932,399)	(33,962,679)
Total net position	\$ 10,407,263	\$ 27,165,157	\$ 22,441,865	\$ 21,907,372	\$ 32,849,128	\$ 49,072,529

Several particular aspects of the County's financial operations influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes increased the collection percentage to 98.92%.
- Expenditures for the Alamance Community College Advanced Applied Technology Center began in FY 16-17.

Alamance County Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 13,537,104	\$ 12,813,021	\$ 4,475,466	\$ 4,122,341	\$ 18,012,570	\$ 16,935,362
Operating grants and contributions	25,259,644	26,789,735	-	-	25,259,644	26,789,735
Capital grants and contributions	1,497,462	594,602	-	-	1,497,462	594,602
Total program revenues	40,294,210	40,197,358	4,475,466	4,122,341	44,769,676	44,319,699
General revenues:						
Taxes:						
Property taxes for general purposes	82,311,523	81,154,704	-	-	82,311,523	81,154,704
Sales taxes for general purposes	28,159,495	27,608,429	-	-	28,159,495	27,608,429
Other taxes	1,662,790	1,511,829	-	-	1,662,790	1,511,829
Unrestricted investment earnings	602,665	430,146	21,343	11,011	624,008	441,157
Total revenues	153,030,683	150,902,466	4,496,809	4,133,352	157,527,492	155,035,818
Expenses:						
General government	19,620,632	14,779,532	-	-	19,620,632	14,779,532
Public safety	41,567,111	39,033,971	-	-	41,567,111	39,033,971
Transportation	1,022,227	802,261	-	-	1,022,227	802,261
Economic and physical development	2,643,119	2,903,127	-	-	2,643,119	2,903,127
Environmental protection	628,926	684,094	-	-	628,926	684,094
Human services	36,696,574	34,768,061	-	-	36,696,574	34,768,061
Cultural and recreational	4,667,289	3,710,378	-	-	4,667,289	3,710,378
Education	57,785,506	41,598,497	-	-	57,785,506	41,598,497
Interest on long-term debt	3,174,829	2,297,134	-	-	3,174,829	2,297,134
Landfill	-	-	3,962,316	3,677,384	3,962,316	3,677,384
Total expenses	167,806,213	140,577,055	3,962,316	3,677,384	171,768,529	144,254,439
Change in net position	(14,775,530)	10,325,411	534,493	455,968	(14,241,037)	10,781,379
Net Position:						
Beginning of year - July 1	27,165,157	16,839,746	21,907,372	21,451,404	49,072,529	38,291,150
Restatement	(1,982,364)	-	-	-	(1,982,364)	-
Beginning of year, as restated	25,182,793	16,839,746	21,907,372	21,451,404	47,090,165	38,291,150
End of year - June 30	\$ 10,407,263	\$ 27,165,157	\$ 22,441,865	\$ 21,907,372	\$ 32,849,128	\$ 49,072,529

Governmental Activities. Governmental activities decreased the County's net position by \$14,775,530. Key elements of the net decrease are as follows:

- During FY 2016, the County sold general obligation bonds for the Alamance Community College Advanced Applied Technology Center. Expenses for the project were paid during FY 2017 funded by bond proceeds.

Business-Type Activities. Business-type activities increased Alamance County's net position by \$534,493. Higher economic development in the community increased business-type revenues such as inspection fees for the current year.

Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Alamance County. At the end of the current fiscal year, fund balance available in the General Fund was \$36,848,892, while total fund balance reached \$48,001,622, an increase of \$1,686,910 compared to the prior year. The County currently has an available fund balance of 25.4% of General Fund expenditures, while total fund balance represents 33.3% of the same amount.

At June 30, 2017, the governmental funds of Alamance County reported a combined fund balance of \$53,084,570 a 9.4% increase from last year. The reason for this increase of fund balance is the increase in the General Fund of \$1,686,910, an increase in the Schools Capital Projects Fund of \$206,212, a decrease in the Renovation and Repair Capital Project of \$2,700, and an increase in other governmental funds of \$2,688,987. The increase in the General Fund is due to budgetary diligence as well as the increase in property tax and local option sales tax revenues received for the year. The increase in the Schools Capital Projects fund is due to progress of various projects in process. The decrease in the Renovation and Repair Capital Project Fund is due to the completion and progress of various projects. The increase in other governmental funds is due to bond proceeds.

General Fund Budgetary Highlights. During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$6,029,130 and expenditures by \$11,185,291. Other financing sources/uses increased by \$5,156,161.

Proprietary Funds. Alamance County's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Landfill Fund at the end of the fiscal year amounted to \$8,651,259, a decrease of \$192,764 compared to the prior year. The total increase in net position for the fund was \$534,493. Unrestricted net position of the internal service funds at the end of the year amounted to \$(1,607,471), a decrease of \$1,705,370 compared to the prior year. The County has implemented a plan to improve the financial stability of both of the internal service funds.

Capital Asset and Debt Administration

Capital Assets. Alamance County's investment in capital assets for its governmental and business-type activities as of June 30, 2017 totals \$74,761,728 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, library books and audio-visual materials, park facilities, and vehicles.

Major capital asset transactions during the year include:

- The purchase of vehicles and equipment

Alamance County's Capital Assets (net of accumulated depreciation)

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2015
Land	\$ 3,706,006	\$ 3,725,249	\$ 2,765,112	\$ 2,765,112	\$ 6,471,118	\$ 6,490,361
Construction in progress	-	-	304,707	-	304,707	-
Library books and audio/ visual materials	3,275,574	3,290,216	-	-	3,275,574	3,290,216
Buildings	33,188,238	34,210,473	709,141	737,149	33,897,379	34,947,622
Other improvements	9,363,245	9,828,670	25,322	30,616	9,388,567	9,859,286
Easements	254,896	266,439	-	-	254,896	266,439
Equipment	6,574,097	6,640,536	957,254	20,511	7,531,351	6,661,047
Vehicles and motor equipment	4,511,104	4,036,962	1,984,889	2,293,401	6,495,993	6,330,363
Infrastructure	97,962	101,135	-	-	97,962	101,135
Landfill	-	-	7,044,181	7,216,560	7,044,181	7,216,560
Total	\$ 60,971,122	\$ 62,099,680	\$ 13,790,606	\$ 13,063,349	\$ 74,761,728	\$ 75,163,029

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

Long-Term Debt. As of June 30, 2017, Alamance County had total debt outstanding of \$64,537,280, the majority of which is backed by the full faith and credit of the County.

Alamance County's Outstanding Debt

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2015
General obligation bonds, net	\$ 53,426,960	\$ 42,320,707	\$ -	\$ -	\$ 53,426,960	\$ 42,320,707
Installment financing agreements	2,988,027	4,462,418	-	-	2,988,027	4,462,418
Qualified school construction bonds	4,664,042	5,217,255	-	-	4,664,042	5,217,255
Capital leases	1,688,251	964,542	-	-	1,688,251	964,542
Recovery bonds	1,770,000	2,360,000	-	-	1,770,000	2,360,000
Total	\$ 64,537,280	\$ 55,324,922	\$ -	\$ -	\$ 64,537,280	\$ 55,324,922

Alamance County's total debt increased by \$9,212,358 (16.7%) during the past fiscal year, due to the issuance of new debt exceeding scheduled payments on existing debt.

As mentioned in the financial highlights section of this document, Alamance County maintained its Aa2 bond rating from Moody's Investors and AA rating from Standard & Poor's Ratings Services. These bond ratings are a clear indication of the sound financial condition of Alamance County.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue up to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Alamance County is \$1,021,138,199.

Additional information regarding Alamance County's long-term debt can be found in footnote 11 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the economic situation for Alamance County:

- Growth in the tax base of the County is expected to increase as additional investment is made through economic development efforts.
- Sales tax revenues are expected to continue to increase with consumer spending.
- Although the unemployment percentage has declined, the job market will continue to be an issue for the County's citizens and drives demand for some services, particularly health and social services, higher.

Budget Highlights for the Fiscal Year Ending June 30, 2018

Governmental Activities. Property tax rates remain unchanged at 0.58 cents per one hundred dollars (\$100) valuation for next fiscal year. Property taxes and sales tax revenues are expected to be the primary sources of revenue. The budgeted revenues will experience an increase in the amount of \$5,263,747.

Budgeted expenditures in the General Fund are expected to increase by 3.7% to \$147,644,499. This increase in expenditures is due to implementation of the pay and class study, additional funding to the school system, normal increases in supply costs spread throughout our departments, and capital outlay purchases.

Business-Type Activities. Rates for landfill services will remain the same. The landfill will continue to evaluate and develop and master plan that includes the engineering and installation of a dual scale operation.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to:

Susan Roberts
Finance Officer
Alamance County
124 West Elm Street
Graham, North Carolina 27253

BASIC FINANCIAL STATEMENTS

Alamance County, North Carolina
Financial Statements and Schedules

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GOVERNMENT- WIDE FINANCIAL STATEMENTS

Alamance County, North Carolina
Financial Statements and Schedules

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ALAMANCE COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Units Alamance County		Total Reporting Unit
				Tourism Development Authority	Transportation Authority	
Assets:						
Current assets:						
Cash and cash equivalents	\$ 42,508,949	\$ 20,016,755	\$ 62,525,704	\$ 1,015,234	\$ 235,081	\$ 63,776,019
Receivables, net	10,525,147	385,786	10,910,933	50,775	478,370	11,440,078
Prepaid items	-	-	-	-	9,392	9,392
Restricted cash and cash equivalents	3,493,888	-	3,493,888	-	-	3,493,888
Total current assets	56,527,984	20,402,541	76,930,525	1,066,009	722,843	78,719,377
Noncurrent assets:						
Net pension asset - ROD	296,900	-	296,900	-	-	296,900
Capital assets:						
Land and other assets not being depreciated	6,981,580	3,069,819	10,051,399	-	-	10,051,399
Other capital assets, net of depreciation	53,989,542	10,720,787	64,710,329	3,142	720,442	65,433,913
Total capital assets	60,971,122	13,790,606	74,761,728	3,142	720,442	75,485,312
Total noncurrent assets	61,268,022	13,790,606	75,058,628	3,142	720,442	75,782,212
Total assets	117,796,006	34,193,147	151,989,153	1,069,151	1,443,285	154,501,589
Deferred Outflows of Resources:						
Contributions to pension plan in current fiscal year	3,030,781	59,990	3,090,771	-	-	3,090,771
Pension deferrals	8,998,449	178,474	9,176,923	-	-	9,176,923
Unamortized bond refunding charges	623,339	-	623,339	-	-	623,339
Total deferred outflows of resources	12,652,569	238,464	12,891,033	-	-	12,891,033
Liabilities:						
Current liabilities:						
Accounts payable and accrued expenses	2,773,160	114,182	2,887,342	7,073	228,076	3,122,491
Long-term liabilities:						
Net pension liability- LGERS	13,310,453	271,642	13,582,095	-	-	13,582,095
Total pension liability - LEOSA	3,141,424	-	3,141,424	-	-	3,141,424
Due within one year	10,238,069	35,679	10,273,748	3,314	-	10,277,062
Due in more than one year	89,981,559	11,557,695	101,539,254	-	-	101,539,254
Total long-term liabilities	116,671,505	11,865,016	128,536,521	3,314	-	128,539,835
Total liabilities	119,444,665	11,979,198	131,423,863	10,387	228,076	131,662,326
Deferred Inflows of Resources:						
Pension deferrals	596,647	10,548	607,195	-	-	607,195
Unavailable revenue	-	-	-	-	17,904	17,904
Total deferred inflows of resources	596,647	10,548	607,195	-	17,904	625,099
Net Position:						
Net investment in capital assets	55,191,002	13,790,606	68,981,608	3,142	720,442	69,705,192
Restricted for:						
Stabilization by State statute	11,210,198	-	11,210,198	50,775	-	11,260,973
General government	920,667	-	920,667	-	-	920,667
Public safety	1,535,008	-	1,535,008	-	-	1,535,008
Economic and physical development	74,021	-	74,021	-	-	74,021
Human services	1,015,487	-	1,015,487	-	-	1,015,487
Tourism	-	-	-	1,004,847	-	1,004,847
Cultural and recreation	496,049	-	496,049	-	-	496,049
Register of Deeds' Pension Plan	548,489	-	548,489	-	-	548,489
Unrestricted	(60,583,658)	8,651,259	(51,932,399)	-	476,863	(51,455,536)
Total net position	\$ 10,407,263	\$ 22,441,865	\$ 32,849,128	\$ 1,058,764	\$ 1,197,305	\$ 35,105,197

The accompanying notes are an integral part of the financial statements.

ALAMANCE COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 19,620,632	\$ 2,529,896	\$ -	\$ -
Public safety	41,567,111	7,766,320	2,652,441	-
Transportation	1,022,227	-	-	-
Economic and physical development	2,643,119	32,283	-	-
Environmental protection	628,926	-	-	-
Human services	36,696,574	3,124,768	22,607,203	-
Cultural and recreational	4,667,289	83,837	-	-
Education	57,785,506	-	-	1,497,462
Interest on long-term debt	3,174,829	-	-	-
Total governmental activities	<u>167,806,213</u>	<u>13,537,104</u>	<u>25,259,644</u>	<u>1,497,462</u>
Business-Type Activities:				
Landfill	3,962,316	4,475,466	-	-
Total primary government	<u>\$ 171,768,529</u>	<u>\$ 18,012,570</u>	<u>\$ 25,259,644</u>	<u>\$ 1,497,462</u>
Component Units:				
Tourism Development Authority	\$ 310,638	\$ -	\$ -	\$ -
Transportation Authority	2,077,137	1,536,622	338,514	155,974
Total component units	<u>\$ 2,387,775</u>	<u>\$ 1,536,622</u>	<u>\$ 338,514</u>	<u>\$ 155,974</u>

The accompanying notes are an integral part of the financial statements.

ALAMANCE COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Functions/Programs	Net (Expense) Revenue and Changes in Net Position					
	Primary Government			Component Units Alamance County		Total Reporting Unit
	Governmental Activities	Business-Type Activities	Total	Tourism Development Authority	Transportation Authority	
Primary Government:						
Governmental Activities:						
General government	\$ (17,090,736)	\$ -	\$ (17,090,736)	\$ -	\$ -	\$ (17,090,736)
Public safety	(31,148,350)	-	(31,148,350)	-	-	(31,148,350)
Transportation	(1,022,227)	-	(1,022,227)	-	-	(1,022,227)
Economic and physical development	(2,610,836)	-	(2,610,836)	-	-	(2,610,836)
Environmental protection	(628,926)	-	(628,926)	-	-	(628,926)
Human services	(10,964,603)	-	(10,964,603)	-	-	(10,964,603)
Cultural and recreational	(4,583,452)	-	(4,583,452)	-	-	(4,583,452)
Education	(56,288,044)	-	(56,288,044)	-	-	(56,288,044)
Interest on long-term debt	(3,174,829)	-	(3,174,829)	-	-	(3,174,829)
Total governmental activities	(127,512,003)	-	(127,512,003)	-	-	(127,512,003)
Business-Type Activities:						
Landfill	-	513,150	513,150	-	-	513,150
Total primary government	(127,512,003)	513,150	(126,998,853)	-	-	(126,998,853)
Component Units:						
Tourism Development Authority	-	-	-	(310,638)	-	(310,638)
Transportation Authority	-	-	-	-	(46,027)	(46,027)
Total component units	-	-	-	(310,638)	(46,027)	(356,665)
General Revenues:						
Taxes:						
Property taxes, levied for general purposes	82,311,523	-	82,311,523	-	-	82,311,523
Local option sales tax	28,159,495	-	28,159,495	-	-	28,159,495
Other taxes and licenses	1,662,790	-	1,662,790	562,387	-	2,225,177
Investment earnings, unrestricted	602,665	21,343	624,008	1,377	5	625,390
Gain on disposal	-	-	-	-	28,467	28,467
Miscellaneous	-	-	-	8,379	-	8,379
Total general revenues	112,736,473	21,343	112,757,816	572,143	28,472	113,358,431
Change in net position	(14,775,530)	534,493	(14,241,037)	261,505	(17,555)	(13,997,087)
Net Position:						
Beginning of year - July 1	27,165,157	21,907,372	49,072,529	797,259	1,214,860	51,084,648
Restatement	(1,982,364)	-	(1,982,364)	-	-	(1,982,364)
Beginning of year - restated	25,182,793	21,907,372	47,090,165	797,259	1,214,860	49,102,284
End of year - June 30	\$ 10,407,263	\$ 22,441,865	\$ 32,849,128	\$ 1,058,764	\$ 1,197,305	\$ 35,105,197

The accompanying notes are an integral part of the financial statements.

Alamance County, North Carolina
Financial Statements and Schedules

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FUND FINANCIAL STATEMENTS

Alamance County, North Carolina
Financial Statements and Schedules

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ALAMANCE COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017

	Major			Nonmajor	Total
	General Fund	Schools Capital Projects Fund	Renovation and Repair Projects Fund	Other Governmental Funds	Governmental Funds
Assets:					
Cash and cash equivalents	\$ 36,657,632	\$ 394,260	\$ 94,453	\$ 4,548,033	\$ 41,694,378
Taxes receivable, net	1,652,206	-	-	199,249	1,851,455
Receivables, net	7,772,324	-	-	57,468	7,829,792
Due from other governments	834,981	-	-	-	834,981
Due from other funds	2,005,486	-	-	-	2,005,486
Restricted cash and cash equivalents	3,451,069	-	-	42,819	3,493,888
Total assets	<u>\$ 52,373,698</u>	<u>\$ 394,260</u>	<u>\$ 94,453</u>	<u>\$ 4,847,569</u>	<u>\$ 57,709,980</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,392,529	\$ -	\$ -	\$ 54,085	\$ 1,446,614
Deferred Inflows of Resources:					
Taxes receivable	1,652,206	-	-	199,249	1,851,455
EMS receivable	1,078,844	-	-	-	1,078,844
Other accounts receivable	248,497	-	-	-	248,497
Total deferred inflows of resources	<u>2,979,547</u>	<u>-</u>	<u>-</u>	<u>199,249</u>	<u>3,178,796</u>
Fund Balances:					
Restricted:					
Stabilization by State statute	11,152,730	-	-	57,468	11,210,198
Restricted, all other	3,030,708	-	-	1,053,343	4,084,051
Committed	7,467,331	394,260	94,453	3,483,424	11,439,468
Unassigned	26,350,853	-	-	-	26,350,853
Total fund balance	<u>48,001,622</u>	<u>394,260</u>	<u>94,453</u>	<u>4,594,235</u>	<u>53,084,570</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 52,373,698</u>	<u>\$ 394,260</u>	<u>\$ 94,453</u>	<u>\$ 4,847,569</u>	<u>\$ 57,709,980</u>
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position:					
Total fund balance, governmental funds					\$ 53,084,570
Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					60,971,122
Deferred charges on refunding reported in governmental activities are not reported in the funds.					623,339
Net pension asset - ROD					296,900
Net pension liability - LGERS					(13,310,453)
Total pension liability - LEOSA					(3,141,424)
Deferred outflows of resources related to pensions are not reported in the funds.					12,029,230
Pension related deferrals					(596,647)
Assets and liabilities of the Internal Service Fund used by management to account for insurance costs are included in governmental activities in the Statement of Net Position.					(1,607,471)
Other long-term assets are not available to pay for current expenditures and, therefore, are deferred inflows of resources in the funds.					3,178,796
Long-term liabilities and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.					(100,219,628)
Other long-term liabilities (accrued interest) are not due and payable in the current period and, therefore, are not reported in the funds					(901,071)
Net position of governmental activities					<u>\$ 10,407,263</u>

The accompanying notes are an integral part of the financial statements.

ALAMANCE COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Major			Nonmajor	Total
	General Fund	Schools Capital Projects Fund	Renovation and Repair Projects Fund	Other Governmental Funds	Governmental Funds
Revenues:					
Ad valorem taxes	\$ 77,536,930	\$ -	\$ -	\$ 5,110,837	\$ 82,647,767
Local option sales taxes	28,159,495	-	-	-	28,159,495
Other taxes and licenses	1,662,790	-	-	-	1,662,790
Unrestricted intergovernmental	270,038	-	-	-	270,038
Restricted intergovernmental	24,598,059	1,497,462	-	661,585	26,757,106
Permits and fees	1,671,605	-	-	-	1,671,605
Sales and services	10,900,358	-	-	-	10,900,358
Investment earnings	533,324	80	-	54,930	588,334
Miscellaneous	482,720	-	-	-	482,720
Total revenues	<u>145,815,319</u>	<u>1,497,542</u>	<u>-</u>	<u>5,827,352</u>	<u>153,140,213</u>
Expenditures:					
Current:					
General government	15,964,205	-	250,217	-	16,214,422
Public safety	33,448,614	-	-	5,965,756	39,414,370
Transportation	464,448	-	-	-	464,448
Environmental protection	71,147	-	-	-	71,147
Economic and physical development	2,148,930	-	-	-	2,148,930
Human services	35,667,727	-	-	-	35,667,727
Cultural and recreation	4,545,456	-	-	-	4,545,456
Education	41,985,810	2,355,749	-	13,165,058	57,506,617
Debt service:					
Principal	7,708,731	-	-	-	7,708,731
Interest and other charges	2,273,758	-	-	-	2,273,758
Issuance costs	-	-	-	77,796	77,796
Total expenditures	<u>144,278,826</u>	<u>2,355,749</u>	<u>250,217</u>	<u>19,208,610</u>	<u>166,093,402</u>
Revenues over (under) expenditures	<u>1,536,493</u>	<u>(858,207)</u>	<u>(250,217)</u>	<u>(13,381,258)</u>	<u>(12,953,189)</u>
Other Financing Sources (Uses):					
Transfers from other funds	453,687	1,518,106	247,517	2,483	2,221,793
Transfers to other funds	(1,768,106)	(453,687)	-	-	(2,221,793)
Long-term debt issued	-	-	-	15,000,000	15,000,000
Capital lease obligations issued	1,464,836	-	-	-	1,464,836
Premium	-	-	-	1,067,762	1,067,762
Total other financing sources (uses)	<u>150,417</u>	<u>1,064,419</u>	<u>247,517</u>	<u>16,070,245</u>	<u>17,532,598</u>
Net change in fund balances	1,686,910	206,212	(2,700)	2,688,987	4,579,409
Fund Balances:					
Beginning of year - July 1	<u>46,314,712</u>	<u>188,048</u>	<u>97,153</u>	<u>1,905,248</u>	<u>48,505,161</u>
End of year - June 30	<u>\$ 48,001,622</u>	<u>\$ 394,260</u>	<u>\$ 94,453</u>	<u>\$ 4,594,235</u>	<u>\$ 53,084,570</u>

The accompanying notes are an integral part of the financial statements.

ALAMANCE COUNTY, NORTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different due to the following items:

Net change in fund balances - total governmental funds (Exhibit D)	\$ 4,579,409
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	3,886,430
Loss on the disposal of capital assets during the year, not recognized on the modified accrual basis	(1,801,998)
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(3,212,990)
Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected, or is expected to be collected, within 90 days of year-end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenue types: timing of revenue recognition differences for the following revenue types:	
Property taxes	(336,244)
Change in deferred outflow - pension	8,863,857
Change in deferred inflows - pension	1,009,968
Change in net pension asset (liability)	(10,668,741)
Expenses related to compensated absences and OPEB that do not require current financial are not reported as expenditures in the governmental funds statement.	(5,033,090)
Pension expense - LEOSSA	(165,415)
Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	7,708,731
Proceeds from issuance of debt are reported as revenues in the governmental funds statement. However, in the Statement of Activities, they are not a revenue, rather they are an increase in liabilities.	(16,464,836)
Governmental funds report the effect of bond premiums when the debt is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.	(456,253)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(901,071)
Deferred charges on refunding reported in governmental activities are not reported in the funds.	(77,917)
Net revenue (loss) of internal service funds determined to be governmental type	<u>(1,705,370)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ (14,775,530)</u>

The accompanying notes are an integral part of the financial statements.

ALAMANCE COUNTY, NORTH CAROLINA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Over/Under
Revenues:				
Ad valorem taxes	\$ 74,496,303	\$ 74,673,134	\$ 77,536,930	\$ 2,863,796
Local option sales taxes	25,554,167	25,554,167	28,159,495	2,605,328
Other taxes and licenses	1,192,000	1,372,000	1,662,790	290,790
Unrestricted intergovernmental	250,000	250,000	270,038	20,038
Restricted intergovernmental	22,711,800	28,349,302	24,598,059	(3,751,243)
Permits and fees	1,325,000	1,325,000	1,671,605	346,605
Sales and services	9,343,842	9,377,139	10,900,358	1,523,219
Investment earnings	370,325	370,325	533,324	162,999
Miscellaneous	304,508	306,008	482,720	176,712
Total revenues	135,547,945	141,577,075	145,815,319	4,238,244
Expenditures:				
Current:				
General government	14,854,448	17,862,865	15,964,205	1,898,660
Public safety	33,234,533	35,572,185	33,448,614	2,123,571
Transportation	417,488	468,821	464,448	4,373
Environmental protection	79,678	131,611	71,147	60,464
Economic and physical development	1,026,495	2,219,449	2,148,930	70,519
Human services	36,510,845	39,816,821	36,408,854	3,407,967
Cultural and recreational	4,506,547	5,774,839	4,545,456	1,229,383
Intergovernmental:				
Education	41,985,810	41,985,802	41,985,810	(8)
Debt service:				
Principal	7,092,605	7,092,605	6,967,604	125,001
Interest and other charges	2,351,583	2,351,583	2,273,758	77,825
Contingency	70,720	39,462	-	39,462
Total expenditures	142,130,752	153,316,043	144,278,826	9,037,217
Revenues over (under) expenditures	(6,582,807)	(11,738,968)	1,536,493	13,275,461
Other Financing Sources (Uses):				
Transfers from other funds	453,687	482,387	453,687	(28,700)
Transfers(to) other funds	(250,000)	(1,768,106)	(1,768,106)	-
Capital lease obligations issued	-	1,475,000	1,464,836	(10,164)
Appropriated fund balance	6,379,120	11,549,687	-	(11,549,687)
Total other financing sources (uses)	6,582,807	11,738,968	150,417	(11,588,551)
Net change in fund balance	\$ -	\$ -	1,686,910	\$ 1,686,910
Fund Balance:				
Beginning of year - July 1			46,314,712	
End of year - June 30			\$ 48,001,622	

The accompanying notes are an integral part of the financial statements.

ALAMANCE COUNTY, NORTH CAROLINA

STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Major Enterprise Fund Landfill Fund	Governmental Activities Internal Service Funds
Assets:		
Current assets:		
Cash and cash equivalents	\$ 20,016,755	\$ 814,571
Receivables, net	385,786	8,919
Total current assets	<u>20,402,541</u>	<u>823,490</u>
Non-current assets:		
Capital assets:		
Land and other assets not depreciated	3,069,819	-
Other capital assets, net of depreciation	10,720,787	-
Total capital assets	<u>13,790,606</u>	<u>-</u>
Total assets	<u>34,193,147</u>	<u>823,490</u>
Deferred Outflows of Resources:		
Pension deferrals	178,474	-
Contributions to pension plan in current fiscal year	59,990	-
Total deferred outflows of resources	<u>238,464</u>	<u>-</u>
Liabilities:		
Current liabilities:		
Accounts payable	114,182	425,475
Compensated absences payable	35,679	-
Due to other funds	-	2,005,486
Total current liabilities	<u>149,861</u>	<u>2,430,961</u>
Non-current liabilities:		
Net pension liability	271,642	-
Accrued landfill closure and post-closure care costs	10,861,606	-
Compensated absences payable	29,191	-
Other post-employment benefits	666,898	-
Total non-current liabilities	<u>11,829,337</u>	<u>-</u>
Total liabilities	<u>11,979,198</u>	<u>2,430,961</u>
Deferred Inflows of Resources:		
Pension deferrals	10,548	-
Net Position:		
Investment in capital assets	13,790,606	-
Unrestricted	8,651,259	(1,607,471)
Total net position	<u>\$ 22,441,865</u>	<u>\$ (1,607,471)</u>

The accompanying notes are an integral part of the financial statements.

ALAMANCE COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Major Enterprise Fund	Governmental Activities
	Landfill Fund	Internal Service Funds
Operating Revenues:		
Landfill user charges	\$ 3,687,016	\$ -
Insurance premiums	-	10,603,153
Miscellaneous	788,450	15,973
Total operating revenues	<u>4,475,466</u>	<u>10,619,126</u>
Operating Expenses:		
Administration	247,837	26,000
Operations:		
Salaries and benefits	1,133,128	11,772,370
Supplies and materials	37,927	-
Current obligations and services	482,466	-
State mandated MSW/C&D charges	189,874	-
Fixed charges and other expenses	578,811	540,457
Landfill closure and post-closure care costs	560,542	-
Depreciation	731,064	-
Total operating expenses	<u>3,961,649</u>	<u>12,338,827</u>
Operating income (loss)	<u>513,817</u>	<u>(1,719,701)</u>
Non-Operating Revenues (Expenses):		
Interest and investment revenue	21,343	14,331
Loss on disposal of assets	(667)	-
Total non-operating revenue	<u>20,676</u>	<u>14,331</u>
Change in net position	534,493	(1,705,370)
Net Position		
Beginning of year - July 1	<u>21,907,372</u>	<u>97,899</u>
End of year - June 30	<u>\$ 22,441,865</u>	<u>\$ (1,607,471)</u>

The accompanying notes are an integral part of the financial statements.

ALAMANCE COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

	Major Enterprise Fund	Governmental Activities
	Landfill Fund	Internal Service Funds
Cash Flows from Operating Activities:		
Cash received from customers	\$ 4,371,593	\$ 10,619,120
Cash paid for goods and services	(1,533,116)	(12,389,698)
Cash paid to employees for services	(1,012,136)	-
Net cash provided (used) by operating activities	<u>1,826,341</u>	<u>(1,770,578)</u>
Cash Flows from Non-Capital Financing Activities:		
Advances (to) from other funds	<u>-</u>	<u>1,702,582</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	<u>(1,458,988)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest on investments	<u>21,343</u>	<u>14,331</u>
Net increase (decrease) in cash and cash equivalents	388,696	(53,665)
Cash and Cash Equivalents:		
Beginning of year - July 1	<u>19,628,059</u>	<u>868,236</u>
End of year - June 30	<u>\$ 20,016,755</u>	<u>\$ 814,571</u>
Reconciliation of Operating Income (Loss) to		
Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ 513,817	\$ (1,719,701)
Adjustments to reconcile operating income (loss) to		
net cash provided (used) by operating activities:		
Depreciation	731,064	-
Landfill closure and post-closure care costs	560,542	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(103,873)	(6)
(Increase) decrease in prepaid warranty	7,466	-
Increase (decrease) in accounts payable and accrued liabilities	(3,667)	(50,871)
(Increase) decrease in deferred outflows of resources for pensions	(182,580)	-
Increase (decrease) in net pension liability	216,351	-
Increase (decrease) in deferred inflows of resources for pensions	(19,736)	-
Increase (decrease) in accrued vacation pay	7,160	-
Increase (decrease) in OPEB payable	99,797	-
Total adjustments	<u>1,312,524</u>	<u>(50,877)</u>
Net cash provided (used) by operating activities	<u>\$ 1,826,341</u>	<u>\$ (1,770,578)</u>

The accompanying notes are an integral part of the financial statements.

ALAMANCE COUNTY, NORTH CAROLINA

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2017

	Private Purpose Trust Funds	Agency Funds
Assets:		
Cash and cash equivalents	\$ 239,088	\$ 382,887
Receivables, net	<u>-</u>	<u>437,004</u>
Total assets	<u>239,088</u>	<u>819,891</u>
Liabilities and Net Position:		
Liabilities:		
Intergovernmental payable	<u>-</u>	<u>819,891</u>
Net Position:		
Assets held in trust for beneficiaries	<u>239,088</u>	<u>-</u>
Total net position	<u><u>\$ 239,088</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of the financial statements.

ALAMANCE COUNTY, NORTH CAROLINA

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Private-Purpose Trust Funds</u>
Additions:	
Restricted intergovernmental	\$ 478,263
Permits and fees	39,860
Miscellaneous	1,157,419
Investment earnings	114
Total additions	<u>1,675,656</u>
 Deductions:	
Benefits	<u>1,576,907</u>
 Change in net position	 98,749
 Net Position:	
Beginning of year - July 1	<u>140,339</u>
 End of year - June 30	 <u>\$ 239,088</u>

The accompanying notes are an integral part of the financial statements.

Alamance County, North Carolina
Financial Statements and Schedules

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NOTES TO FINANCIAL STATEMENTS

Alamance County, North Carolina
Financial Statements and Schedules

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ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Note 1. Summary of Significant Accounting Policies

The accounting policies of Alamance County and its discretely presented component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies.

REPORTING ENTITY

The County, which is governed by an elected Board of five commissioners, is one of the 100 counties established in the State of North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and all its component units, legally separate entities for which the County is financially accountable. One component unit of the County, the Alamance County Industrial Facility and Pollution Control Financing Authority, has no financial transactions or account balances; therefore, it does not appear in the combined financial statements. The Alamance County Tourism Development Authority (Tourism) and the Alamance County Transportation Authority (Transportation), both have a June 30 year-end. Tourism is presented discretely as a governmental fund type and transportation is presented discretely as a proprietary fund type.

Component Units:

The County's three discretely presented component units described below are reported in separate combining government-wide financial statements.

- **Alamance County Tourism Development Authority**

The Alamance County Tourism Development Authority (Tourism) was created by a General Assembly Ratified Bill in 1987, Chapter 950, House Bill 2207 to collect the local tax (via Alamance County Finance Office). The Authority is a public authority under the local Government Budget and Fiscal Control Act and exists to further the development of travel, tourism, and conventions in the County, through the State, national and international advertising, and promotion. The County is responsible for appointing the governing board of Tourism and is required by State statute to distribute two-thirds of a three percent local occupancy tax to Tourism for its operations. The Authority, which has a June 30 year-end, is presented as if it were a governmental fund. Complete financial statements for Tourism may be obtained from Tourism's administrative offices.

- **Alamance County Transportation Authority**

The Alamance County Transportation Authority (Transportation) exists to provide transportation for the elderly, disabled, and general public residing in Alamance County. Transportation is governed by a five-member Board of Trustees; three appointed by the Alamance County Board of Commissioners; one by the City of Burlington; and one by the Burlington Metropolitan Planning Organization. The Authority is reported as a component unit because of the financial benefit relationship between the County and the Authority. Complete financial statements for Transportation may be obtained from Transportation's principal office.

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

- **Alamance County Industrial Facility and Pollution Control Financing Authority**

The Alamance County Industrial Facility and Pollution Control Financing Authority (Authority) exists to issue and service revenue bond debt of private business for economic development purposes. The Authority is governed by a seven-member Board of Commissioners, all of whom are appointed by the County Commissioners. The County can remove a Commissioner of the Authority with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the combined financial statements. The Authority does not issue separate financial statements.

Complete financial statements for each of the individual component units may be obtained at the administrative offices of those entities as follows:

Alamance County Tourism Development Authority
200 S. Main Street
Burlington, North Carolina 27215

Alamance County Transportation Authority
1946-C Martin Street
Burlington, North Carolina 27217

BASIS OF PRESENTATION, BASIS OF ACCOUNTING

Basis of Presentation, Measurement Focus – Basis of Accounting

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

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

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

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

Major Funds. The General Fund, School Capital Projects Fund, Renovation and Repair Capital Projects Fund, and Landfill Enterprise Fund are major funds of the County. The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The School Capital Projects Fund accounts for all school capital projects and activities. The Renovation and Repair Capital Projects Fund accounts for funds used in major renovations and repairs to existing facilities. The Landfill Enterprise Fund accounts for the operation, maintenance, and development of various landfills and disposal sites.

The County has the following fund categories:

Governmental Funds. Governmental funds account for the County's general governmental activities.

Governmental funds include the following fund types:

General Fund. The General Fund is the primary operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds. The special revenue funds are used to account for the proceeds of specific revenue sources, other than major capital projects, that are legally restricted to expenditures for specific purposes. The County has two non-major special revenue funds: Fire Districts Fund and Emergency Telephone System Fund.

Capital Projects Fund. The capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The County has three Capital Project Funds within the nonmajor Governmental Fund types: Capital Reserve Fund, Alamance Community College Fund, and the 800 MHZ Emergency Equipment Fund.

Enterprise Funds include the following fund type:

Landfill Fund. This fund accounts for the operation, maintenance, and development of various landfills and disposal sites.

Internal Service Funds. Internal service funds account for employee health benefits, workers' compensation, risk management, and property insurance provided to other departments or agencies of the government on a cost reimbursement basis.

Trust Funds. The County has two trust funds, the Indigent Trust Fund and the General Trust Fund, that account for assets held by the government in a trustee capacity.

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Fiduciary Funds include the following fund type:

Agency Funds. Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The County has ten agency funds: the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to the Burlington-Alamance Board of Education and nine property tax funds, which account for property taxes that are billed and collected by the County for various municipalities and special districts within the County but that are not revenues to the County.

Measurement Focus, Basis of Accounting

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

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

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

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

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

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

BUDGETARY DATA

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget ordinance is adopted at the departmental level for the General Fund, special revenue funds, the capital reserve funds, enterprise funds, and the internal service funds. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the capital project funds except for the capital reserve fund.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for the General Fund, at the functional level for special revenue funds, enterprise funds, and internal service funds, and at the object level for capital projects funds. The County Manager is authorized by the budget ordinance to transfer appropriations between functional areas within departments of a fund; however, any amendments that alter total expenditures of any fund must be approved by the governing board. Transfers of appropriations between departments in a fund and from contingency must be approved by the governing board, or may be approved by the County Manager in conformance with County policy.

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

During the year, several 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.

ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES, AND FUND EQUITY

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

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

The County's investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. The NC Capital Management Trust Government Portfolio, a 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. Money market investments that have a remaining maturity at the time of purchase of one year or less and non-participating interest earnings and investment contracts are reported at amortized cost.

Cash and Cash Equivalents. The County pools moneys from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are considered cash and cash equivalents.

Restricted Assets. The unexpended installment debt proceeds in the amount of \$42,819 are restricted in the capital project funds because their use is completely restricted to the purpose for which the bonds and installment purchase notes were issued. Unspent grant proceeds and third-party donations in the amount of \$3,030,708 are classified as restricted assets in the General Fund because their use is restricted by revenue source for specific expenditures. Money for future tax revaluation in the amount of \$420,361 is classified as restricted assets in the General Fund because its use is restricted per North Carolina General Statute 153A-150.

Ad Valorem Taxes Receivable. In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2016. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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.

Capital Assets. Purchased or constructed capital assets are recorded at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization costs are \$5,000 for each of the following: buildings, easements, improvements, infrastructure, furniture and equipment, vehicles, computer equipment, and computer software. 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.

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

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

<u>Asset</u>	<u>Estimated Useful Lives</u>
Buildings	50 years
Easements	30 years
Improvements	25 years
Infrastructure	50 years
Furniture and equipment	10 years
Vehicles	10 years
Computer equipment	5 years
Computer software	5 years

Deferred Outflows/Inflows of Resources. In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has three items that meets this criterion – contributions made to the pension plan in the current fiscal year, pension related deferrals and charge on refunding. In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred*

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has four items that meet the criterion for this category: taxes receivable, EMS receivable, other accounts receivable, and pension related deferrals.

Long-Term Obligations. In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statements of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences. The vacation policies of the County provide for the accumulation of up to thirty days earned vacation 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 in the County's government-wide and proprietary fund statements.

The sick leave policy of the County 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 County has no obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made.

NET POSITION/FUND BALANCES

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

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

The governmental fund types classify fund balances as follows:

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

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

Restricted by Stabilization by State Statute – portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Restricted for Public Safety – portion of fund balance restricted by revenue source for public safety related activities, such as police, fire, E-911, and capital outlay.

Restricted for General Government – portion of fund balance that is restricted by revenue source for general government activities.

Restricted for Human Services – portion of fund balance that is restricted by revenue source for human service programs.

Restricted for Economic and Physical Development – portion of fund balance that is restricted by revenue source for economic development.

Restricted for Cultural and Recreation – portion of fund balance that is restricted by donations and grant proceeds for recreational purposes.

Restricted fund balance at June 30, 2017 is as follows:

<u>Purpose</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>
Restricted, All Other:		
Public safety	\$ 524,484	\$ 1,053,343
General government	920,667	-
Human services	1,015,487	-
Economic and physical development	74,021	-
Cultural and recreation	496,049	-
Total	<u>\$ 3,030,708</u>	<u>\$ 1,053,343</u>

Restricted net position on Exhibit A varies from restricted fund balance on Exhibit C by the amount of unspent bond proceeds of \$42,819 as of June 30, 2017 and Register of Deeds' Pension Plan of \$548,489, for a net difference of \$505,670.

Committed Fund Balance. Portion of fund balance that can only be used for specific purpose imposed by majority vote of Alamance County's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to year-end, commit fund balance. Any changes or removal of specific purposes requires majority action by the governing body.

Committed for Education – represents the portion of fund balance committed by the Board of Commissioners for education purposes.

Committed for General Government – represents the portion of fund balance committed by the Board of Commissioners for costs relating to the Renovation and Repair Capital Project Fund and future capital outlays supported by the Capital Reserve Funds.

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Committed for Tax Revaluation – portion of fund balance committed by the Board of Commissioners that can only be used for Tax Revaluation.

Committed for Public Safety – portion of fund balance committed by the Board of Commissioners that can only be used for costs relating to current and future capital outlays for the animal control shelter.

Committed for Economic and Physical Development – represents the portion of fund balance committed by the Board of Commissioners for economic and physical development.

Committed fund balance at June 30, 2017 is as follows:

Purpose	General Fund	Schools Capital Projects Fund	Renovation and Repair Projects Fund	Other Governmental Funds
Education	\$ -	\$ 394,260	\$ -	\$ 3,140,263
General government	3,471,970	-	94,453	343,161
Public safety	2,900,000	-	-	-
Tax revaluation	420,361	-	-	-
Economic and physical development	675,000	-	-	-
Total	<u>\$ 7,467,331</u>	<u>\$ 394,260</u>	<u>\$ 94,453</u>	<u>\$ 3,483,424</u>

Assigned Fund Balance. Portion of fund balance that the Alamance County governing board has budgeted.

Unassigned Fund Balance. Unassigned fund balance represents the portion of fund balance that has not been assigned to another fund or is not restricted, committed, or assigned to specific purposes within the General Fund.

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

Alamance County has also adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that unassigned fund balance is at least equal to or greater than 25% of budgeted expenditures.

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

Total fund balance - General Fund	\$ 48,001,622
Less:	
Stabilization by State statute	<u>11,152,730</u>
Total available fund balance - General Fund	<u>\$ 36,848,892</u>

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

	General Fund
Encumbrances	<u>\$ 1,867,280</u>

ACCOUNTING ESTIMATES

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

DEFINED BENEFIT PENSION PLANS

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

Note 2. Detail Notes On All Funds

Assets

Deposits

All of the County'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 the securities held by the County's agents in the unit's 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 County, these deposits are considered to be held by the County's agent in its 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

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

deposits. The State Treasurer does not confirm this information with the County or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County 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 State Treasurer enforces standards of minimum capitalization for all Pooling Method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness on any other financial institution used by the County. The County complies with the provisions G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County does not have a policy regarding custodial credit risk for deposits.

At June 30, 2017, the County's deposits had a carrying amount of \$19,538,533 and a bank balance of \$20,955,580. Of the bank balance, \$976,896 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method.

At June 30, 2017, the County had \$4,872 cash on hand.

Investments. At June 30, 2017, the County had the following investments and maturities:

	Valuation Measurement Method	Fair Value	Less Than 1	1-5
Commercial Paper	Fair Value-Level 2	\$ 16,324,452	\$ 12,856,298	\$ 3,468,154
NCCMT - Government Portfolio	Amortized Cost	25,729,402	-	-
NCCMT - Term Portfolio *	Fair Value-Level 1	5,044,308	5,044,308	-
Total		<u>\$ 47,098,162</u>	<u>\$ 17,900,606</u>	<u>\$ 3,468,154</u>

*Because the NC Capital Management Trust Term Portfolio has a weighted average maturity of less than 90 days, it was presented as an investment with a maturity less than 6 months.

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

Level of Fair Value Hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2 debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. This is the risk that changes; interest rates will adversely affect the fair value of an investment. The County has no policy in place to limit its exposure to fair value losses arising from rising interest rates. The County's investment policy requires purchases of securities to be tiered with staggered maturity dates and limits all securities to a final maturity of no more than three years.

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on managing credit risk. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. As of June 30, 2017, the County's investments were rated as follows:

	Standard	Moody's
	Poor's	Investor
		Services
North Carolina Capital Management Trust Government Portfolio	AAAm	N/A
North Carolina Capital Management Term Portfolio	N/A	N/A
Commercial paper	A-1+	P-1

Custodial Credit Risk. For an investment, the custodial credit risk is the risk that in the event of a failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk. The County places no limit on the amount that the County may invest in any one issuer of commercial paper or banker's acceptances. More than 5% of the County's investments in commercial paper are in Abbey National NA, LLC, Credit Agricole, Credit Suisse, DCAT, ING, JP Morgan, and Natixis. These investments are 12.2%, 15.2%, 12.2%, 14.6%, 6.1%, 27.4%, and 12.2%, respectively, of the County's total investments.

Note 3. Property Tax - Use-Value Assessment on Certain Lands

In accordance with the General Statutes, agriculture, horticulture, and forestland may be taxed at present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable.

Shown below are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Year of Levy	Tax	Interest	Total
2014	\$ 2,076,046	\$ 493,061	\$ 2,569,107
2015	2,179,463	321,471	2,500,934
2016	2,173,778	124,992	2,298,770
2017	2,173,991	-	2,173,991
Total	<u>\$ 8,603,278</u>	<u>\$ 939,524</u>	<u>\$ 9,542,802</u>

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Note 4. Receivables

Receivables at the government-wide level at June 30, 2017, were as follows:

	Government-Wide Financial Statements		
	Governmental Activities	Business-Type Activities	Total
Receivables:			
Accounts	\$ 22,911,675	\$ 385,786	\$ 23,297,461
Taxes	2,556,476	-	2,556,476
Due from other governments	<u>834,981</u>	<u>-</u>	<u>834,981</u>
Gross receivables	26,303,132	385,786	26,688,918
Less: allowance for uncollectibles	<u>(15,777,985)</u>	<u>-</u>	<u>(15,777,985)</u>
Net total receivables	<u><u>\$ 10,525,147</u></u>	<u><u>\$ 385,786</u></u>	<u><u>\$ 10,910,933</u></u>

The due from other governments that is owed to the County consists of the following:

Local option sales tax	\$ 587,813
Other governments	<u>247,168</u>
Total	<u><u>\$ 834,981</u></u>

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Note 5. Capital Assets

Primary Government

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

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2017</u>
Governmental Activities:				
Non-Depreciable Capital Assets:				
Land	\$ 3,725,249	\$ -	\$ (19,243)	\$ 3,706,006
Library books	2,735,965	117,018	(153,617)	2,699,366
Library audio-visual materials	554,251	51,964	(30,007)	576,208
Total non-depreciable capital assets	<u>7,015,465</u>	<u>168,982</u>	<u>(202,867)</u>	<u>6,981,580</u>
Depreciable Capital Assets:				
Buildings	53,529,592	-	-	53,529,592
Other improvements	12,047,022	-	-	12,047,022
Easements	346,275	-	-	346,275
Equipment	7,443,806	2,586,830	(5,552,807)	4,477,829
Computer software	1,523,339	-	-	1,523,339
Computer equipment	7,179,868	-	-	7,179,868
Vehicles and motor equipment	8,841,859	1,130,618	(661,857)	9,310,620
Infrastructure	158,649	-	-	158,649
Total depreciable capital assets	<u>91,070,410</u>	<u>3,717,448</u>	<u>(6,214,664)</u>	<u>88,573,194</u>
Less Accumulated Depreciation:				
Buildings	(19,319,119)	(1,022,235)	-	(20,341,354)
Other improvements	(2,218,352)	(465,425)	-	(2,683,777)
Easements	(79,836)	(11,543)	-	(91,379)
Equipment	(6,193,115)	(932,388)	4,050,635	(3,074,868)
Computer software	(1,173,738)	(115,110)	-	(1,288,848)
Computer equipment	(2,139,624)	(103,599)	-	(2,243,223)
Vehicles and motor equipment	(4,804,897)	(559,517)	564,898	(4,799,516)
Infrastructure	(57,514)	(3,173)	-	(60,687)
Total accumulated depreciation	<u>(35,986,195)</u>	<u>\$ (3,212,990)</u>	<u>\$ 4,615,533</u>	<u>(34,583,652)</u>
Total depreciable capital assets, net	<u>55,084,215</u>			<u>53,989,542</u>
Governmental activities capital assets, net	<u>\$ 62,099,680</u>			<u>\$ 60,971,122</u>

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

General government	\$ 578,338
Public safety	1,959,924
Economic and physical development	32,130
Human services	578,338
Cultural (parks and recreation)	64,260
Total depreciation expense	<u>\$ 3,212,990</u>

Capital asset activity for business-type activities for the year ended June 30, 2017, was as follows:

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2017</u>
Business-Type Activities:				
Landfill:				
Non-Depreciable Capital Assets:				
Land	\$ 2,765,112	\$ -	\$ -	\$ 2,765,112
Construction in progress	<u>-</u>	<u>304,707</u>	<u>-</u>	<u>304,707</u>
Total non-depreciable capital assets	<u>2,765,112</u>	<u>304,707</u>	<u>-</u>	<u>3,069,819</u>
Depreciable Capital Assets:				
Landfill construction	13,429,788	-	-	13,429,788
Buildings	906,920	-	-	906,920
Other improvements	788,777	-	-	788,777
Fixtures and equipment	752,014	1,154,281	(54,917)	1,851,378
Vehicles and motor equipment	<u>4,830,413</u>	<u>-</u>	<u>(161,100)</u>	<u>4,669,313</u>
Total depreciable capital assets	<u>20,707,912</u>	<u>1,154,281</u>	<u>(216,017)</u>	<u>21,646,176</u>
Less Accumulated Depreciation:				
Landfill construction	(6,213,228)	(172,379)	-	(6,385,607)
Buildings	(169,771)	(28,008)	-	(197,779)
Other improvements	(758,161)	(5,294)	-	(763,455)
Fixtures and equipment	(731,503)	(217,538)	54,917	(894,124)
Vehicles and motor equipment	<u>(2,537,012)</u>	<u>(307,845)</u>	<u>160,433</u>	<u>(2,684,424)</u>
Total accumulated depreciation	<u>(10,409,675)</u>	<u>\$ (731,064)</u>	<u>\$ 215,350</u>	<u>(10,925,389)</u>
Total capital assets being depreciated, net	<u>10,298,237</u>			<u>10,720,787</u>
Landfill capital assets, net	<u>\$ 13,063,349</u>			<u>\$ 13,790,606</u>

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2017 is composed of the following elements:

	Governmental Activities	Business-Type Activities
Capital assets	<u>\$ 60,971,122</u>	<u>\$ 13,790,606</u>
Total debt, gross	64,537,280	-
Long-term debt for assets not owned by the County	58,091,002	-
Capital related unspent debt proceeds	42,819	-
Less unamortized bond refunding charges	<u>623,339</u>	<u>-</u>
Total capital debt	<u>5,780,120</u>	<u>-</u>
Net investment in capital assets	<u>\$ 55,191,002</u>	<u>\$ 13,790,606</u>

Note 6. Accounts Payable and Accrued Liabilities

Payables and other accrued liabilities at the government-wide level at June 30, 2017, were as follows:

Governmental Activities:

Vendors	\$ 1,680,666
Due to other governments	19,135
Accrued payroll and related liabilities	172,288
Accrued interest	<u>901,071</u>
Total governmental activities	<u>\$ 2,773,160</u>

Business-Type Activities:

Landfill vendors	<u>\$ 114,182</u>
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Note 7. Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description. The County 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 and local law enforcement officers (LEOs) 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

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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 (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2017, was 7.25% of compensation for law enforcement officers and 8.00% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$2,999,501 for the year ended June 30, 2017.

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

At June 30, 2017, the County reported a liability of \$13,582,095 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 County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2016, the County's proportion was .640%, which was an increase of .024% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$3,701,255. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 255,184	\$ 475,932
Changes of assumptions	930,252	-
Net difference between projected and actual earnings on pension plan investments	7,509,188	-
Changes in proportion and differences between County contributions and proportionate share of contributions	229,062	51,490
County contributions subsequent to the measurement date	<u>2,999,501</u>	<u>-</u>
Total	<u>\$ 11,923,187</u>	<u>\$ 527,422</u>

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

\$2,999,501 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	
June 30	Amount
2018	\$ 1,293,486
2019	1,294,778
2020	3,628,265
2021	2,179,735
2022	-
Thereafter	-
Total	<u>\$ 8,396,264</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 increase	3.50 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, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 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 COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

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

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

The information above is based on 30-year expectations developed with the consulting actuary for the 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.

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 County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the County's proportionate share of the net pension liability or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-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>
County's proportionate share of the net pension liability (asset)	<u>\$ 32,236,647</u>	<u>\$ 13,582,095</u>	<u>\$ (1,999,574)</u>

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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.

Law Enforcement Officers' Special Separation Allowance

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

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2015, the Separation Allowance's membership consisted of:

Retirees receiving benefits	13
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>113</u>
Total	<u><u>126</u></u>

Summary of Significant Accounting Policies

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

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

Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2015 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.86 percent

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

The discount rate used to measure the TPL is the weekly average of the Bond Buyer General Obligation 20-year Municipal Bond Index determined at the end of each month.

Deaths after Retirement (Healthy): RP-2014 Healthy Annuitant base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015. Rates are adjusted by 104% for males and 100% for females.

Deaths before Retirement: RP-2014 Employee base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015.

Deaths after Retirement (Beneficiary): RP-2014 Healthy Annuitant base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015. Rates are adjusted by 123% for males and females.

Deaths after Retirement (Disabled): RP-2014 Disabled Retiree base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015. Rates are adjusted by 103% for males and 99% for females.

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operation budget. There were no contributions made by the employees. The County's obligation to contribute to this Plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$150,337 as benefits came due.

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

At June 30, 2017, the County reported a total pension liability of \$3,141,424. The total pension liability was measured as of December 31, 2016 based on a December 31, 2015 actuarial valuation. The total pension liability was rolled forward to December 31, 2016 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2017, the County recognized pension expense of \$243,576.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions and other inputs	\$ -	\$ 64,645
County benefit payments and administrative expenses made subsequent to the measurement date	77,790	-
Total	<u>\$ 77,790</u>	<u>\$ 64,645</u>

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

\$77,790 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2018	\$ 12,577
2019	12,577
2020	12,577
2021	12,577
2022	12,577
Thereafter	1,760
Total	\$ 64,645

\$77,790 paid as benefits came due subsequent to the measurement date are reported as deferred outflows of resources.

Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate. The following presents the County's total pension liability calculated using the discount rate of 3.86 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86 percent) or 1-percentage-point higher 4.86 percent than the current rate:

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
Total pension liability	\$ 3,416,702	\$ 3,141,424	\$ 2,890,854

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

	2017
Beginning balance	\$ 3,113,201
Service cost	147,324
Interest	108,458
Changes of assumptions and other inputs	(77,222)
Benefit payments	(150,337)
Net change in total pension liability	<u>\$ 3,141,424</u>

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

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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.

Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2017 were \$497,459 which consisted of \$311,173 from the County and \$186,286 from the law enforcement officers. No amounts were forfeited.

Registers of Deeds' Supplemental Pension Fund

Plan Description. Alamance County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 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 Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$13,480 for the year ended June 30, 2017.

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

At June 30, 2017, the County reported an asset of \$296,900 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016. The total pension liability used to calculate the net pension asset 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 County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2016, the County's proportion was 1.59%, which was a decrease of 0.02% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$120,670. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 318	\$ 3,843
Changes of assumptions	79,100	-
Net difference between projected and actual earnings on pension plan investments	508	-
Changes in proportion and differences between County contributions and proportionate share of contributions	173,311	11,285
County contributions subsequent to the measurement date	13,480	-
Total	<u>\$ 266,717</u>	<u>\$ 15,128</u>

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

\$13,480 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2018. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	
June 30	Amount
2018	\$ 166,461
2019	61,502
2020	13,461
2021	(3,315)
2022	-
Thereafter	-
Total	<u>\$ 238,109</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 increase	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 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 COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

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

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2016 is 1.4%.

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 3.05%. All rates of return and inflation are annualized.

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

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

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	<u>\$ (239,397)</u>	<u>\$ (296,900)</u>	<u>\$ (345,208)</u>

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.

Deferred Compensation Plan

The County offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are administered by Lincoln National Life Insurance Company and by Public Employees Benefit Services Corporation. The plans, available to all County employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available until an employee is terminated, retires, dies, or experiences an unforeseeable emergency.

The County has complied with changes in the laws which govern the County's deferred compensation plans, requiring all assets of the plans to be held in trust for the exclusive benefit of the participants and their beneficiaries. Formerly, the undistributed amounts that had been deferred by the plan participants were required to be reported as assets of the County. Effective for the fiscal year ended June 30, 1999, and in accordance with GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans", this deferred compensation plan is no longer reported within the County's Agency Fund.

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Other Employment Benefits – Alamance County

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

Other Post-Employment Benefits – Alamance County

Plan Description. Under a County resolution, Alamance County administers a single-employer defined benefit plan to provide employees who were hired before July 1, 2008 that retire on disability retirement (Alamance County work related), retiree group health, dental, and life insurance (if approved by the life insurance company) to employees who are approved for disability retirement by the Medical Review Board of the North Carolina Local Government Employees Retirement System, a multiple employer, due to an Alamance County Workers' Compensation claim.

For employees who were hired prior to July 1, 2005 and retire on disability retirement (non-work related), the County will continue to provide retiree group health to employees who are approved for disability retirement by the Medical Review Board of the North Carolina Local Governmental Employees Retirement System and who have at least twenty (20) years of service with Alamance County. Employees who retire from the North Carolina Local Governmental Employees' Retirement System (NCLGERS), a multiple employer, are eligible to continue to be covered by Alamance County's Group Health Plan. The HCB Plan is available to qualified retirees until the age of 65 or until Medicare eligible, whichever is sooner. The County obtains healthcare coverage through private insurers. The Board of Commissioners 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:

	General	Law
	Employees	Enforcement
		Officers
Retirees and dependents receiving benefits	438	n/a
Active plan members	887	113
Total	1,325	113

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Eligible employees that retire due to work-related disability will have the full cost of health, dental, and life insurance paid for by the County. The retiree's life insurance will be a payment of no less than \$25,000 equal to the employee's highest 12 months' consecutive salary during the preceding twenty-four (24) months, not to exceed \$50,000.

Eligible retirees who were hired prior to July 1, 2005 will have the full cost of health insurance paid for by the County.

The County will contribute to the cost of retiree insurance premium based on the years of creditable service with Alamance County using the following schedule for employees who were hired between July 1, 2005 and June 30, 2008:

<u>Years of Service At Retirement</u>	<u>County Contribution</u>	<u>Retiree Contribution</u>
Less than 10	0.00%	100.00%
10-14	50.00%	50.00%
15-24	75.00%	25.00%
25 or more	100.00%	0.00%

The County will contribute to the cost of retiree insurance premium based on the years of creditable service with Alamance County using the following schedule for employees who were hired on or after July 1, 2008:

<u>Years of Service At Retirement</u>	<u>County Contribution</u>	<u>Retiree Contribution</u>
Less than 15	0.00%	100.00%
15-19	50.00%	50.00%
20-24	75.00%	25.00%
25 or more	100.00%	0.00%

Healthcare and prescription drug coverage are provided in the group health insurance plan to eligible retirees. Coverage continues for the retirees' lifetime, with Medicare eligible retirees naming Medicare as the primary insurer and the County paying claims secondary to Medicare. In addition, if the employee retires because of disability retirement (work related), the retiree is also given dental and life insurance coverage at no cost to the retiree.

Dependent Coverage. The retiree may continue dependent coverage (and pay the full cost of this coverage) if enrolled in dependent coverage at the time of retirement. Dependent coverage terminates upon the retirees' death.

Funding Policy. The County's members pay the current active employee rate for dependent coverage, if the retiree elects to purchase the coverage. The County has chosen to fund the healthcare benefits on a pay-as-you-go basis.

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

The current ARC rate is 13.9% of annual covered payroll. For the current year, the County contributed \$816,172 or 1.97%, of the annual covered payroll. The County purchases insurance from a private carrier for healthcare coverage. The County's required contributions, under a County resolution, for employees not engaged in law enforcement and for law enforcement officers, represented 13.9% and 13.9% of covered payroll, respectively. There were no contributions made by employees. The County's obligation to contribute to the Plan is established and may be amended by the Board of Commissioners.

Summary of Significant Accounting Policies. Post-employment expenditures are made from the Employee Insurance Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Annual OPEB Cost and Net Obligation. The County's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), 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 County's annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the postemployment healthcare benefits:

	Governmental		
	Type	Business Type	Total
Annual required contribution	\$ 5,656,557	\$ 98,783	\$ 5,755,340
Interest on net OPEB obligation	1,111,518	22,684	1,134,202
Adjustments to annual required contribution	1,061,845	21,670	1,083,515
Annual OPEB cost (expense)	5,706,230	99,797	5,806,027
Contributions made	816,172	-	816,172
Increase (decrease) in net OPEB obligation	4,890,058	99,797	4,989,855
Net OPEB obligation:			
Beginning of year - July 1	27,787,949	567,101	28,355,050
End of year - June 30	<u>\$ 32,678,007</u>	<u>\$ 666,898</u>	<u>\$ 33,344,905</u>

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

Year Ended	Annual	Percentage of	Net OPEB
June 30	OPEB Cost	Annual OPEB	Obligation
		Cost Contributed	
2017	\$ 5,806,027	14.06%	\$ 33,344,905
2016	5,124,865	27.74%	28,355,050
2015	5,111,533	24.52%	24,651,703

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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 and, thus, the unfunded actuarial accrued liability (UAAL) was \$72,092,308. The covered payroll (annual payroll of active employees covered by the plan) was \$41,382,216, and the ratio of the UAAL to the covered payroll was 174.21%.

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 healthcare trends. Amounts determined regarding the funding 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 information about the actuarial value of plan assets and the actuarially accrued liabilities for benefits.

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% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date. The rate included a 3.00% inflation assumption. The Medicare trend rate varied between 5.75% and 5.00%. The pre-Medicare trend rate varied between 7.75% and 5.00%. The actuarial value of assets 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 projected unit credit on a level percent of pay, closed basis. The remaining amortization period at June 30, 2016 was 30 years.

As of June 30, 2017, management had not decided on the funding options for this outstanding obligation; therefore, OPEB will continue to be funded on a pay-as-you-go basis going into the next fiscal year. Management will continue their efforts to find a way to fund the annual required contribution while maintaining the level of service as prioritized by the County Commissioners.

Note 8. Closure and Postclosure Costs – Austin Quarter Landfill Facility and Swepsonville Landfill Facility

State and federal laws and regulations require the County to place a final cover on its Austin Quarter Landfill Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

The \$8,765,322 reported for the Austin Quarter MSW Landfill Facility as landfill closure and postclosure care liability at June 30, 2017 represents a cumulative amount reported to date based on the use of 87.0% of the total estimated capacity of the landfill. The County will recognize the remaining estimated costs of closure and postclosure care as the remaining estimated capacity is filled.

The \$1,572,272 reported for the Austin Quarter C&D Landfill Facility as landfill closure and post-closure care liability at June 30, 2017 represents a cumulative amount reported to date based on the use of 101.0% percent of the total estimated capacity of the landfill. The County will recognize the remaining estimated costs of closure and post-closure care as the remaining estimated capacity is filled.

These amounts are based on estimates of what it would cost to perform all closure and post-closure care in 2017. The County expects to close the Austin Quarter MSW Landfill Facility in the year 2077 and the Austin Quarter C&D Landfill Facility in the year 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County closed its Swepsonville Landfill Facility on October 4, 1993. As of June 30, 2017, the estimated closure and post-closure care liability for this facility amounted to \$524,012. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The total landfill closure and post-closure care liability for the County's landfills as of June 30, 2017 amounted to \$10,861,606.

The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that help determine if a unit is financially able to meet closure and postclosure care requirements.

Note 9. Deferred Outflows and Inflows of Resources

Deferred outflows of resources are comprised of the following:

Source	Amount
Differences between expected and actual experience (LGERS and ROD)	\$ 255,502
Changes of assumptions (LGERS and ROD)	1,009,352
Net difference between projected and actual earnings on pension plan investments (LGERS and ROD)	7,509,696
Changes in proportion and differences between County contributions and proportionate share of contributions (LGERS and ROD)	402,373
County contributions subsequent to the measurement date (LGERS, ROD, and LEOSA)	3,090,771
Unamortized bond refunding charges	623,339
Total	<u>\$ 12,891,033</u>

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

<u>Source</u>	<u>Amount</u>
Property taxes receivable (General Fund)	\$ 1,652,206
Property taxes receivable (Nonmajor Governmental Funds)	199,249
EMS receivable (General Fund)	1,078,844
Other receivables (General Fund)	248,497
Differences between expected and actual experience (LGERS and ROD)	479,775
Changes of assumptions (LEOSSA)	64,645
Changes in proportion and differences between County contributions and proportionate share of contributions (LGERS and ROD)	62,775
Total	<u>\$ 3,785,991</u>

Note 10. Contingent Liabilities

At June 30, 2017, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

Note 11. Long-Term Obligations

Capital Leases

The County has entered into agreements to lease certain equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

The following is a summary of the County's capital leases as of June 30, 2017:

<u>Date of Execution</u>	<u>Class of Property</u>	<u>Payment Duration (Years)</u>	<u>Annual Payment Amount</u>
October 1, 2012	Computer equipment	5	\$ 15,489
November 1, 2012	Computer equipment	5	217,784
April 1, 2013	Computer equipment	5	18,960
October 1, 2013	Computer equipment	5	3,887
January 1, 2014	Computer equipment	5	3,546
April 1, 2014	Computer equipment	3	37,875
April 1, 2014	Computer equipment	5	12,222
July 1, 2014	Computer equipment	3	28,389
July 1, 2014	Computer equipment	3	12,082
July 1, 2014	Computer equipment	3	15,197
October 1, 2014	Computer equipment	3	31,526
October 1, 2014	Computer equipment	3	16,815
October 1, 2014	Computer equipment	5	9,779
January 1, 2015	Computer equipment	3	9,664
April 1, 2015	Computer equipment	3	11,343
April 1, 2015	Computer equipment	3	20,409
July 1, 2015	Computer equipment	3	23,034
July 1, 2015	Computer equipment	4	8,470
October 1, 2015	Computer equipment	3	4,564
January 1, 2016	Computer equipment	3	36,897
January 1, 2016	Computer equipment	4	112,266
April 1, 2016	Computer equipment	3	53,956
July 1, 2016	Computer equipment	3	152,074
July 1, 2016	Computer equipment	3	14,717
October 1, 2016	Computer equipment	3	59,266
January 1, 2017	Computer equipment	5	65,027
January 1, 2017	Computer equipment	3	60,764
April 1, 2017	Computer equipment	3	28,453
July 1, 2017	Computer equipment	3	5,236
July 1, 2017	Computer equipment	3	15,096
July 1, 2017	Computer equipment	3	72,100
Total			<u>\$ 1,176,890</u>

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Under the terms of the lease agreements, title does not pass to the County at the end of the lease term. However, the lease term duration periods are at least 75.0% of the property's estimated economic life which is a criteria for determining a capital lease.

<u>Class of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Computer equipment	\$ 3,977,726	\$ 2,073,481	\$ 1,904,245

For Alamance County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2018	\$ 937,548
2019	721,951
2020	410,347
2021	85,800
2022	3,773
Total minimum lease payments	2,159,419
Less: amount representing interest	471,168
Present value of the minum lease payments	<u>\$ 1,688,251</u>

Installment Loans. The County has obtained various installment loans to finance construction, renovations, and equipment purchases as follows:

	<u>Governmental Activities</u>
Installment note payable issued August 20, 2004 for jail expansion; due in semi-annual principal payments of \$344,828 through August 20, 2019; interest rate of 4.28%	\$ 1,724,138
Installment note payable issued September 24, 2009 for Human Services Center; due in semi-annual principal payments of \$175,000 through October 1, 2019; interest rate of 4.06%	875,000
Installment note payable issued May 12, 2011 for Probation Center; due in semi-annual principal payments of \$55,556 through October 1, 2020; interest rate of 2.95%	<u>388,889</u>
Total governmental activities	<u>\$ 2,988,027</u>

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2018	\$ 1,150,766	\$ 106,230
2019	1,150,766	60,088
2020	630,939	11,732
2021	55,556	603
Totals	<u>\$ 2,988,027</u>	<u>\$ 178,653</u>

Qualified School Construction Bonds

On September 15, 2010, the County issued \$8,298,202 in Qualified School Construction Bonds to finance the renovation of certain qualifying school facilities. These bonds qualify as "Qualified School Construction" under Section 54F of the Internal Revenue Code. The interest rate charged is 5.47%, but the creditor also receives Federal tax credits in lieu of receiving interest payments from the issuer. The principal and interest are payable semi-annually through 2026. The outstanding amount at June 30, 2017 was \$4,664,042.

Annual debt service requirements to maturity for the County's Qualified School Construction Bonds are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2018	\$ 553,213	\$ 247,558
2019	553,213	217,297
2020	553,213	187,036
2021	553,213	158,869
2022	553,213	128,608
2023-2026	<u>1,897,977</u>	<u>210,779</u>
Totals	<u>\$ 4,664,042</u>	<u>\$ 1,150,147</u>

General Obligation Indebtedness

All general obligation bonds serviced by the County's General Fund are collateralized by the full faith, credit, and taxing power of the County. Principal and interest requirements are appropriated when due.

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Advance Refundings

On September 12, 2012, the County issued \$33,830,000 of general obligation advance refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust to be used for all future debt service payments of \$34,765,000 of general obligation bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. The par value of the defeased bonds at June 30, 2017 was \$31,120,000.

The County's general obligation bonds payable at June 30, 2017 are comprised of the following individual issues:

Serviced by the General Fund:

August 24, 2009 issue, Refunding Bonds; due in annual installments of \$1,060,000 on May 1, 2013; \$1,035,000 on May 1, 2014; \$2,170,000 on May 1, 2015; \$2,775,000 on May 1, 2016; \$2,735,000 on May 1, 2017; and \$2,140,000 on May 1, 2018; interest at 2.0% on installments due 2013; interest at 2.5% on installments due 2014 and 2015; interest at 3.0% on installments due 2016 through 2018	\$ 2,140,000
September 12, 2012 issue, Refunding Bonds Series 2012; due in annual installments, varying, on February 1 through 2026; interest at 2.0% through 2016, 3.0% through 2017, 4.0% through 2023, and 5.0% through 2026.	31,120,000
August 11, 2016 issue, General Obligation Bonds; due in annual installments of \$750,000 beginning February 1, 2018 through 2036; interest rates varying throughout the life of the payments.	<u>15,000,000</u>
Total general obligation bonds	<u>\$ 48,260,000</u>

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

Year Ending June 30	Government Activities	
	Principal	Interest
2018	\$ 4,980,000	\$ 1,880,975
2019	5,080,000	1,695,675
2020	5,045,000	1,484,975
2021	5,080,000	1,283,175
2022	5,060,000	1,079,975
2023-2027	15,715,000	2,439,575
2028-2032	4,125,000	7,106,694
2033-2036	3,175,000	189,625
Total	<u>\$ 48,260,000</u>	<u>\$ 17,160,669</u>

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Recovery Zone Economic Development Bonds Indebtedness

As part of the American Recovery and Reinvestment Act of 2009 (ARRA), several new types of tax-exempt bonds and tax credit bonds were created under the Internal Revenue Code. At June 30, 2017, the County has issued the following of these types of bonds:

Serviced by the General Fund:

Original issue of \$3,000,000, Recovery Zone Economic Development Bonds (Direct Payment), due on September and March 18 in 20 installments of \$150,000 through March 18, 2020; plus interest at 5.41%. The County receives a subsidy of 45.0% of interest cost from the Federal government, reducing the effective interest rate to 2.9755%. \$ 900,000

Original issue of \$2,900,000, Build America Bonds (Direct Payment), due on September and March 18 in 20 installments of \$145,000 through March 18, 2020; plus interest at 5.41%. The County receives a subsidy of 35.0% of interest cost from the Federal government, reducing the effective interest rate to 3.5165%. 870,000

Total Recovery Zone Economic Development Bonds \$ 1,770,000

Annual debt service requirements to maturity for the County's Recovery Zone Economic Development bonds are as follows:

Year Ending June 30	Governmental Activities		Interest	Interest Cost
	Principal	Interest	Rebate	After Rebate
2018	\$ 590,000	\$ 87,777	\$ 35,185	\$ 52,592
2019	590,000	55,858	22,391	33,468
2020	590,000	23,939	9,596	14,343
Totals	<u>\$ 1,770,000</u>	<u>\$ 167,574</u>	<u>\$ 67,172</u>	<u>\$ 100,403</u>

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

The following is a summary of changes in the County's long-term obligations as of June 30, 2017:

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2017</u>	<u>Due In Less Than One Year</u>
Governmental Activities:					
General obligation debt	\$ 37,610,000	\$ 15,000,000	\$ 4,350,000	\$ 48,260,000	\$ 4,980,000
Premium on general obligation bonds	4,710,707	1,067,762	611,509	5,166,960	514,786
Qualified School Construction Bonds	5,217,255	-	553,213	4,664,042	553,213
Recovery bonds	2,360,000	-	590,000	1,770,000	590,000
Capitalized leases	964,542	1,464,836	741,127	1,688,251	796,916
Installment loans	4,462,418	-	1,474,391	2,988,027	1,150,766
Total pension liability (LEOSSA)	980,500	2,388,483	227,559	3,141,424	-
Net pension liability (LGERS)	2,709,235	10,601,218	-	13,310,453	-
Compensated absences	2,861,309	1,716,752	1,573,720	3,004,341	1,652,388
OPEB liability	27,787,949	5,706,230	816,172	32,678,007	-
Total governmental activities	<u>\$ 89,663,915</u>	<u>\$ 37,945,281</u>	<u>\$ 10,937,691</u>	<u>\$ 116,671,505</u>	<u>\$ 10,238,069</u>

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2017</u>	<u>Due In Less Than One Year</u>
Business-Type Activities:					
Accrued landfill closure and post-closure care cost	\$ 10,301,064	\$ 560,542	\$ -	\$ 10,861,606	\$ -
Compensated absences	57,710	38,901	31,741	64,870	35,679
Net pension liability (LGERS)	55,291	216,351	-	271,642	-
OPEB liability	567,101	99,797	-	666,898	-
Total business-type activities	<u>\$ 10,981,166</u>	<u>\$ 915,591</u>	<u>\$ 31,741</u>	<u>\$ 11,865,016</u>	<u>\$ 35,679</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. The unfunded Special Separation Allowance has been liquidated in the General Fund. OPEB has been liquidated in the Employee Insurance Fund.

State statutes provide for a legal debt margin of 8.0% of the County's appraised valuation. The County had a legal debt limitation of \$1,021,138,199 at June 30, 2017.

Conduit Debt Obligation. Alamance County Industrial Facility and Pollution Control Financing Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed and letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County nor the Authority nor the State nor any political subdivision thereof, is obligated in any manner for the

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2017, there were two series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$1,200,000.

Note 12. Interfund Balances and Activity

Due From/To Other Funds

Interfund balances are summarized below:

	<u>Interfund Loans</u>		<u>Reason</u>
	<u>From</u>	<u>To</u>	
General Fund	<u>\$ 2,005,486</u>	<u>\$ -</u>	
Internal Service Fund	<u>\$ -</u>	<u>\$ 2,005,486</u>	Cash advance

Transfers To/From Other Funds

Transfers in (out) for the year ended June 30, 2017 are summarized below:

	<u>Interfund Transfers</u>	
	<u>From</u>	<u>To</u>
General Fund	\$ 1,768,106	\$ 453,687
Major Schools Capital Project Fund	453,687	1,518,106
Major Renovation and Repair Capital Project Fund	-	247,517
Nonmajor Capital Project Funds	<u>-</u>	<u>2,483</u>
Total interfund transfers	<u>\$ 2,221,793</u>	<u>\$ 2,221,793</u>

Transfers from the School Capital Project Fund to the General Fund were for payment of school bond interest. Other General Fund transfers to other funds were advancements for grant and fund related expenditures.

Note 13. Joint Ventures

Alamance-Caswell Local Management Now Known as PBH aka Cardinal Innovations. The County, in conjunction with the State of North Carolina, Rockingham County, and Caswell County, participated by statute to operate the former Alamance-Caswell Local Management Entity (ACLME) now known as PBH. Rockingham County left the ACLME in 2007. PBH was working on substantial changes to North

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Carolina law that would enable it to merge with several LME's in central North Carolina. These PBH lobbying efforts resulted in a new law that allowed PBH to merge with LMEs through interlocal agreements or mergers. The North Carolina General Assembly passed a law in 2011 that provided PBH through its managed care model would provide mental health, developmental disability, and substance abuse services through an interlocal agreement or through a merger with the ACLME. PBH elected to proceed with a merger model. PBH and the ACLME merged in accordance with the NC DHHS regulations which requires a "plan of transition and disposition of assets and satisfaction of any or all indebtedness". Alamance County has requested a copy of this "Plan" from NCDHHS and it has not yet been provided. The NC Division of Mental Health, Developmental Disabilities, and Substance Abuse pursuant to Session Law 2011-264, House Bill 916, developed policies and procedures for the approval of mergers between ACLME and Managed Care Organizations, such as PBH which requires PBH to satisfy all liabilities of ACLME. Specifically, the law requires a "plan of transition and disposition of assets and satisfaction of any or all indebtedness". The ACLME has stated that its dissolution is governed by N.C. General Statutes § 122C-115.3. Any ACLME Unobligated Fund balance was required by law to be distributed to Alamance County and Caswell County. There has been no accounting for transferred assets of the ACLME to PBH, and Alamance County does not have sufficient information or knowledge to form a belief as to whether a final budget was approved by the ACLME Board and PBH. Upon information and belief, on or about early 2011, PBH, also now known as Cardinal Innovations, entered into an agreement with the ACLME to manage the ACLME until the PBH merger with the ACLME could be completed by the September 30, 2011, merger target date imposed by the NC Department of Health and Human Services. Alamance County and Caswell County originally were to designate one County Commissioner each to serve on the PBH's governing board, and according to State law the designated commissioners appoint the remainder of the PBH's governing board. The governing board was supposed to consist of no fewer than eleven members and no more than twenty-five members. Currently, Alamance County and Caswell County have only advisory authority over the operations of PBH. Alamance County provides funding for mental health services according to State law and PBH is responsible for managing the provision of services and reporting quarterly to Alamance County Commissioners. Alamance County provided funding for mental health services to PBH in the amount of \$1,153,324 during the fiscal year ended June 30, 2017. Alamance County has settled its lawsuit with PBH over issues of accounting for fund balance and assets of the ACLME that were taken by PBH. One may try and obtain complete financial statements for the PBH from the PBH's administrative offices at 319 N. Graham Hopedale Road, Suite A, Burlington, North Carolina 27217. To date, Alamance County's requests for financial statements continue to be ignored by PBH.

Alamance Community College. The County, in conjunction with the State of North Carolina and the Alamance-Burlington Board of Education, participates in a joint venture to operate the Alamance Community College (Community College). Each of the three participants appoints four members of the 13-member Board of Trustees of the Community College. The President of the Community College's student government serves as an ex officio non-voting member of the Community College's Board of Trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$3,031,621 and \$440,000 to the Community College for operating and repair and maintenance, respectively, during the fiscal year ended June 30, 2017. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

has been reflected in the County's financial statements at June 30, 2017. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 1247 Jimmie Kerr Road, Graham, North Carolina 27253.

Jointly Governed Organizations

Piedmont Triad Council of Governments. The County, in conjunction with five other counties and 35 municipalities, established the Piedmont Triad Council of Governments (Council). The participating governments established the Council to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$0 to the Council during the fiscal year ended June 30, 2017.

Burlington-Alamance Airport Authority. The County, in conjunction with the City of Burlington, jointly governs the Burlington-Alamance Airport Authority. Each participating government appoints three members of the seven-member Board. The seventh appointment is a joint appointment by both governments. The Airport was created in 1969 by the North Carolina General Assembly House Bill 951. This act enabled Alamance County and the City of Burlington to establish the Authority for the maintenance of its Airport facilities. The County has no ongoing responsibility for providing financial support for the Authority's operations and facilities. The County has contributed funds in the past to match Federal and State grants. The County contributed \$252,321 to the Authority for capital improvements during the fiscal year ended June 30, 2017.

Note 14. Contingencies

Risk Management. The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The County has established the Workers' Compensation Fund (an Internal Service Fund) to account for and finance its risk of loss related to employee injuries while conducting County business. Under this program, the Workers' Compensation Fund provides coverage for up to a maximum of \$600,000. The County purchases commercial insurance for losses in excess of coverage provided by the fund. Settlement claims have not exceeded this commercial coverage during the past year since the fund's inception.

The County has not been designated as being in a flood zone and, thus, carries no commercial flood insurance.

The County has established a Property Insurance Fund (an Internal Service Fund) to account for and finance its risk of loss related to property, professional, vehicle and general liability. The County purchases commercial insurance coverage for claims in excess of coverage provided by the Fund. Settled claims have not exceeded the available premiums and fund balance.

The County has established an Employee Insurance Fund (an Internal Service Fund) to account for and finance its risk of loss related to employee health and accident claims. Under this program, the Employee Insurance Fund provides coverage for up to a maximum of \$300,000 for each claim. The County purchases commercial insurance coverage for claims in excess of coverage provided by the Fund, and there have been no significant reductions in this coverage from last year.

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

All funds participate in the program and make payments to the Employee Insurance Fund based on estimates of the amounts needed to pay prior and current-year claims and to maintain adequate reserves for catastrophe losses. A claims liability is reported in the Fund when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The claims liability of \$405,013 reported in the Fund at June 30, 2017 includes an amount for claims that have been incurred, but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts and other economic and social factors. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported (IBNR's).

Changes in the Fund's claims liability amount for the past ten fiscal years were:

Year Ended June 30	Claims Liability Beginning of Year	Current Year Claims (Including IBNR's)	Claims Payment	Claims Liability End of Year
2008	\$ 285,477	\$ 6,652,226	\$ (6,617,194)	\$ 320,509
2009	320,509	6,225,489	(6,244,161)	301,837
2010	301,837	6,564,403	(6,574,292)	291,948
2011	291,948	6,624,563	(6,592,559)	323,952
2012	323,952	5,823,002	(5,875,381)	271,573
2013	271,573	6,807,016	(6,723,976)	354,613
2014	354,613	6,725,963	(6,756,624)	323,952
2015	323,952	5,643,704	(5,613,043)	354,613
2016	354,613	5,564,985	(5,595,646)	323,952
2017	323,952	4,860,160	(4,779,099)	405,013

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance and Tax Collector are individually bonded for \$100,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Note 15. Benefit Payments Issued By the State

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

	<u>Federal</u>	<u>State</u>
Temporary Assistance to Needy Families	\$ 1,227,411	\$ -
Medicaid	132,421,052	69,710,197
NC Health Choice	3,168,421	12,115
Foster Care Title IV-E	306,496	76,913
Adoption Assistance	978,158	245,477
WIC	3,389,556	-
Refugee and Entrant Assistance	667	-
Chafee Foster Care Independence Program	21,819	-
CWS Adopt Subsidy & Vendor	-	282,013
State Foster Home	-	69,101
Chafee Foster Care Independence Program	-	7,119
CWS Adopt Subsidy & Vendor	-	68,374
State Foster Home	-	6,000
SFHF Maximization	-	81,639
SC/SA Domiciliary Care	-	1,001,100
FC at Risk Maximazation	-	641
Total	<u>\$ 141,513,580</u>	<u>\$ 71,560,689</u>

Note 16. Summary Disclosure of Significant Contingencies

Federal and State-Assisted Programs

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

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Note 17. Change In Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) No. Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to certain Provisions of GASB Statements 67 and 68*, in the fiscal year ending June 30, 2017. The implementation of the statement required the County to record beginning total pension liability and the effects on net position of benefit payments and administrative expenses paid by the County to the Law Enforcement Officers' Special Separation Allowance during the measurement period. As a result, net position for governmental activities decreased \$1,982,364.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

Alamance County, North Carolina
Financial Statements and Schedules

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ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
FOR THE YEAR ENDED JUNE 30, 2017

Law Enforcement Officers' Special Separation Allowance

	<u>2017</u>
Beginning balance	\$ 3,113,201
Service cost	147,324
Interest on the total pension liability	108,458
Changes in assumptions or other inputs	(77,222)
Benefit payments	<u>(150,337)</u>
Ending balance of the total pension liability	<u>\$ 3,141,424</u>

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

* Pension schedules in the required supplementary information are intended to show information for ten years and that additional years' information will be displayed as it becomes available.

ALAMANCE COUNTY, NORTH CAROLINA

**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
FOR THE YEAR ENDED JUNE 30, 2017**

Law Enforcement Officers' Special Separation Allowance

	2017
Total pension liability	\$ 3,141,424
Covered payroll	5,510,031
Total pension liability as a percentage of covered payroll	57.01%

Notes to the Schedules:

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

* Pension schedules in the required supplementary information are intended to show information for ten years and that additional years' information will be displayed as it becomes available.

ALAMANCE COUNTY, NORTH CAROLINA

OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
6/30/2016	\$ -	\$ 72,092,308	72,092,308	0.00%	\$ 41,382,216	174.21%
12/31/2014	-	69,985,046	69,985,046	0.00%	37,595,773	186.15%
12/31/2012	-	56,181,408	56,181,408	0.00%	34,396,304	163.34%
12/31/2011	-	55,005,750	55,005,750	0.00%	34,748,308	158.30%
12/31/2010	-	48,687,657	48,687,657	0.00%	35,265,388	138.06%
12/31/2009	-	56,920,888	56,920,888	0.00%	35,242,477	161.51%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Percentage Contributed
2017	\$ 5,755,340	14.18%
2016	5,074,364	28.01%
2015	5,074,364	24.70%
2014	4,807,175	24.62%
2013	4,431,324	24.74%
2012	5,572,582	19.41%
2011	5,572,582	17.17%
2010	5,572,582	56.90%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	6/30/2016
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, closed
Amortization factor	26.1695
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return	4.00%
Pre-medicare trend rate	7.75% - 5.00%
Medicare trend rate	5.75% - 5.00%
Year of ultimate trend rate	2022

* Includes inflation at 3.00%

ALAMANCE COUNTY, NORTH CAROLINA**ALAMANCE COUNTY'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST FOUR FISCAL YEARS***

Local Government Employees' Retirement System				
	2017	2016	2015	2014
Alamance's proportion of the net pension liability (asset) (%)	0.63996%	0.61599%	0.59339%	0.614800%
Alamance's proportion of the net pension liability (asset) (\$)	\$ 13,582,095	\$ 2,764,526	\$ (3,499,497)	\$ 7,410,701
Alamance's covered-employee payroll	\$ 38,765,701	\$ 37,352,331	\$ 35,862,828	\$ 34,940,178
Alamance's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	35.04%	7.40%	(9.76%)	21.21%
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.
Pension schedules in the required supplementary information are intended to show information for ten years
and that additional years' information will be displayed as it becomes available.

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

ALAMANCE COUNTY, NORTH CAROLINA**ALAMANCE COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST FOUR FISCAL YEARS***

Local Government Employees' Retirement System				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,999,501	\$ 2,619,549	\$ 2,150,580	\$ 2,093,085
Contributions in relation to the contractually required contribution	<u>2,999,501</u>	<u>2,619,549</u>	<u>2,150,580</u>	<u>2,093,085</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Alamance County's covered-employee payroll	\$ 40,774,203	\$ 38,765,701	\$ 37,352,331	\$ 35,862,828
Contributions as a percentage of covered-employee payroll	7.36%	6.76%	5.76%	5.84%

* Pension schedules in the required supplementary information are intended to show information for ten years and that additional years' information will be displayed as it becomes available.

ALAMANCE COUNTY, NORTH CAROLINA

**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (ASSET)
LAST FOUR FISCAL YEARS***

Register of Deeds' Supplemental Pension Fund				
	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	1.588%	1.573%	3.604%	2.955%
County's proportionate share of the net pension liability (asset)	\$ (296,900)	\$ (364,440)	\$ (816,868)	\$ (631,154)
County's covered-employee payroll	\$ 61,572	\$ 60,500	\$ 53,922	\$ 45,560
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(482.20%)	(602.38%)	(1,514.91%)	(1,385.32%)
Plan fiduciary net position as a percentage of the total pension liability	160.17%	197.29%	193.88%	190.50%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.
Pension schedules in the required supplementary information are intended to show information for ten years
and that additional years' information will be displayed as it becomes available.

ALAMANCE COUNTY, NORTH CAROLINA**ALAMANCE COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST FOUR FISCAL YEARS***

Register of Deeds' Supplemental Pension Fund				
	2017	2016	2015	2014
Contractually required contribution	\$ 13,480	\$ 11,682	\$ 12,583	\$ 29,424
Contributions in relation to the contractually required contribution	<u>13,480</u>	<u>11,682</u>	<u>12,583</u>	<u>29,424</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 70,228	\$ 61,572	\$ 60,500	\$ 53,922
Contributions as a percentage of covered-employee payroll	19.19%	18.97%	20.80%	54.57%

* Pension schedules in the required supplementary information are intended to show information for ten years and that additional years' information will be displayed as it becomes available.

Alamance County, North Carolina
Financial Statements and Schedules

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

- *General Fund*
- *Major Capital Project Funds*
- *Nonmajor Governmental Funds*
- *Nonmajor Special Revenue Funds*
- *Nonmajor Capital Project Funds*
- *Enterprise Fund*
- *Internal Service Funds*
- *Fiduciary Funds*
- *Agency Funds*

Alamance County, North Carolina
Financial Statements and Schedules

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GENERAL FUND

Alamance County, North Carolina
Financial Statements and Schedules

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ALAMANCE COUNTY, NORTH CAROLINA**GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES****IN FUND BALANCE - BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2017****WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016**

	2017			2016
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes:				
Taxes, net of discounts	\$ 74,398,134	\$ 77,243,437	\$ 2,845,303	\$ 76,177,587
Penalties and interest	275,000	293,493	18,493	348,250
Total	74,673,134	77,536,930	2,863,796	76,525,837
Local option sales tax:				
Article 39 and 44	11,505,433	13,068,996	1,563,563	12,992,399
Article 40.5 percent	6,782,146	6,953,125	170,979	6,660,042
Article 42.5 percent	7,266,588	8,137,374	870,786	7,955,988
Total	25,554,167	28,159,495	2,605,328	27,608,429
Other taxes and licenses:				
Real estate transfer taxes	500,000	697,066	197,066	639,085
Privilege licenses	6,000	7,383	1,383	7,422
Local occupancy tax	798,000	869,628	71,628	777,544
Rental vehicle tax	68,000	88,713	20,713	87,778
Total	1,372,000	1,662,790	290,790	1,511,829
Unrestricted intergovernmental revenues:				
Beer and wine tax	250,000	270,038	20,038	258,829
Restricted intergovernmental revenues:				
State	5,959,866	5,090,602	(869,264)	4,769,060
Federal	17,831,024	17,257,667	(573,357)	18,527,356
Court facilities fees	200,000	219,739	19,739	215,902
ABC bottle tax	30,000	39,195	9,195	37,600
Other	4,328,412	1,990,856	(2,337,556)	2,478,706
Total	28,349,302	24,598,059	(3,751,243)	26,028,624
Permits and fees:				
Building permits and inspection fees	600,000	903,707	303,707	644,283
Register of Deeds	725,000	767,898	42,898	731,990
Total	1,325,000	1,671,605	346,605	1,376,273

ALAMANCE COUNTY, NORTH CAROLINA**GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES****IN FUND BALANCE - BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2017****WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016**

	2017			2016
	Budget	Actual	Variance Over/Under	Actual
Sales and services:				
Rents, concessions, and fees	3,207,639	3,885,298	677,659	3,244,353
Nuisance abatement	10,000	12,395	2,395	250
Jail and Sheriff fees	1,999,500	2,581,250	581,750	2,876,170
Ambulance fees	4,160,000	4,421,415	261,415	4,415,151
Total	<u>9,377,139</u>	<u>10,900,358</u>	<u>1,523,219</u>	<u>10,535,924</u>
Investment Earnings	<u>370,325</u>	<u>533,324</u>	<u>162,999</u>	<u>411,960</u>
Miscellaneous	<u>306,008</u>	<u>482,720</u>	<u>176,712</u>	<u>454,708</u>
Total revenues	<u>141,577,075</u>	<u>145,815,319</u>	<u>4,238,244</u>	<u>144,712,413</u>
Expenditures:				
Current:				
General government:				
Governing body	241,762	235,637	6,125	229,134
County Manager	2,526,349	2,290,571	235,778	2,150,725
Administrative services/planning	176,559	164,685	11,874	145,295
Human Resources	391,942	375,973	15,969	358,307
Finance	1,334,852	1,065,568	269,284	694,264
Purchasing	127,537	125,708	1,829	120,955
Tax administration	2,276,421	2,248,091	28,330	2,177,477
Revaluation	323,876	169,522	154,354	279,253
GIS mapping	281,104	270,547	10,557	205,802
Legal	666,786	581,984	84,802	430,038
Facility fees	251,443	225,623	25,820	299,665
Elections	896,583	744,351	152,232	711,192
Register of Deeds	788,531	718,945	69,586	656,991
Central services:				
Management information systems	5,476,330	4,906,640	569,690	3,482,449
Central permitting	5,000	1,290	3,710	-
Printing	57,840	33,182	24,658	34,704
Central garage	13,275	6,491	6,784	5,770
Public buildings	<u>2,026,675</u>	<u>1,799,397</u>	<u>227,278</u>	<u>1,860,816</u>
Total	<u>17,862,865</u>	<u>15,964,205</u>	<u>1,898,660</u>	<u>13,842,837</u>

ALAMANCE COUNTY, NORTH CAROLINA**GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES****IN FUND BALANCE - BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2017****WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016**

	2017			2016
	Budget	Actual	Variance Over/Under	Actual
Public safety:				
Judicial services	37,791	28,961	8,830	16,684
Sheriff	12,546,506	11,649,190	897,316	10,197,513
School Resource Officers	539,540	494,345	45,195	492,199
Stepping up initiative	133,566	40,935	92,631	-
County jail	10,255,633	9,701,943	553,690	9,271,888
Emergency management	243,781	211,264	32,517	57,063
Emergency service	366,550	345,611	20,939	366,339
Fire service	52,689	44,734	7,955	17,987
SARA management	304,650	259,272	45,378	132,202
Inspections	728,773	709,869	18,904	669,102
Emergency Medical Service	7,415,588	7,142,744	272,844	6,499,635
Animal shelter	373,725	373,725	-	369,313
Central communications	2,321,361	2,214,989	106,372	2,025,999
Other	252,032	231,032	21,000	220,650
Total	<u>35,572,185</u>	<u>33,448,614</u>	<u>2,123,571</u>	<u>30,336,574</u>
Transportation:				
Transportation services	216,500	212,127	4,373	130,129
Airport	252,321	252,321	-	252,321
Total	<u>468,821</u>	<u>464,448</u>	<u>4,373</u>	<u>382,450</u>
Environmental protection	<u>131,611</u>	<u>71,147</u>	<u>60,464</u>	<u>102,011</u>
Economic and physical development:				
Industrial development	856,116	856,116	-	760,337
Cooperative Extension	374,105	354,566	19,539	358,517
Soil conservation	241,151	232,719	8,432	215,797
Tourism Development Authority	580,000	562,452	17,548	502,774
Other	168,077	143,077	25,000	139,154
Total	<u>2,219,449</u>	<u>2,148,930</u>	<u>70,519</u>	<u>1,976,579</u>

ALAMANCE COUNTY, NORTH CAROLINA**GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES****IN FUND BALANCE - BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2017****WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016**

	2017			2016
	Budget	Actual	Variance Over/Under	Actual
Human services:				
Health	8,117,834	7,223,957	893,877	6,952,964
WIC Program	793,778	780,667	13,111	789,706
Dental Clinic Program	1,047,784	959,358	88,426	917,701
Social Services	26,516,060	24,290,731	2,225,329	24,440,302
Home and Community Care	1,170,141	1,113,507	56,634	1,100,639
Veterans Service Office	169,990	168,026	1,964	142,749
Office of Juvenile Justice Programs	331,328	324,349	6,979	342,528
Mental Health Authority	1,489,243	1,369,981	119,262	1,216,903
Other	180,663	178,278	2,385	504,696
Total	<u>39,816,821</u>	<u>36,408,854</u>	<u>3,407,967</u>	<u>36,408,188</u>
Cultural and recreational:				
Recreation	2,639,951	1,566,274	1,073,677	1,680,797
Historic Properties Commission	2,000	90	1,910	13
Library	2,987,076	2,833,280	153,796	2,735,443
Other	145,812	145,812	-	145,812
Total	<u>5,774,839</u>	<u>4,545,456</u>	<u>1,229,383</u>	<u>4,562,065</u>
Education:				
Alamance-Burlington School System:				
Current expense	38,264,181	38,264,189	(8)	36,417,749
Repair and maintenance	250,000	250,000	-	-
Alamance Community College:				
Current expense	3,031,621	3,031,621	-	2,971,621
Repair and maintenance	440,000	440,000	-	440,000
Total	<u>41,985,802</u>	<u>41,985,810</u>	<u>(8)</u>	<u>39,829,370</u>
Debt service:				
Principal retirement	7,092,605	6,967,604	125,001	7,647,940
Interest and fees	2,351,583	2,273,758	77,825	2,297,134
Total	<u>9,444,188</u>	<u>9,241,362</u>	<u>202,826</u>	<u>9,945,074</u>

ALAMANCE COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	Budget	Actual	Variance Over/Under	Actual
Contingency	39,462	-	39,462	-
Total expenditures	153,316,043	144,278,826	9,037,217	137,385,148
Revenues over (under) expenditures	(11,738,968)	1,536,493	13,275,461	7,327,265
Other Financing Sources (Uses):				
Transfers from other funds:				
Capital project funds	453,687	453,687	-	457,007
Other funds	28,700	-	(28,700)	-
Transfers to other funds:				
Special revenue funds	-	-	-	(1,436)
Capital project funds	(1,765,633)	(1,765,633)	-	(278,907)
Nonmajor funds	(2,473)	(2,473)	-	(200,000)
Total net transfers	(1,285,719)	(1,314,419)	(28,700)	(23,336)
Capital lease obligations issued	1,475,000	1,464,836	(10,164)	543,603
Appropriated fund balance	11,549,687	-	(11,549,687)	-
Total other financing sources (uses)	11,738,968	150,417	(11,588,551)	520,267
Net change in fund balance	\$ -	1,686,910	\$ 1,686,910	7,847,532
Fund Balance:				
Beginning of year - July 1		46,314,712		38,467,180
End of year - June 30		\$ 48,001,622		\$ 46,314,712

Alamance County, North Carolina
Financial Statements and Schedules

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MAJOR CAPITAL PROJECT FUNDS

Alamance County, North Carolina
Financial Statements and Schedules

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ALAMANCE COUNTY, NORTH CAROLINA

MAJOR SCHOOLS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
Public School Building Capital Fund Lottery	\$ 17,056,824	\$ 13,624,543	\$ 1,497,462	\$ 15,122,005	\$ (1,934,819)
Public School Capital Building Fund	32,815,966	32,810,997	-	32,810,997	(4,969)
Local funds	3,055,373	3,055,373	-	3,055,373	-
Total restricted intergovernmental	52,928,163	49,490,913	1,497,462	50,988,375	(1,939,788)
Investment earnings	3,776,936	3,950,252	80	3,950,332	173,396
Sales tax refund	577,254	577,254	-	577,254	-
Total revenues	57,282,353	54,018,419	1,497,542	55,515,961	(1,766,392)
Expenditures:					
Sellars-Gunn Center	654,776	654,776	-	654,776	-
Five-Year Capital Improvement Plan	11,735,575	11,735,575	-	11,735,575	-
AO Elementary School	1,248,036	1,129,599	-	1,129,599	118,437
Ray Street Academy	52,000	-	52,000	52,000	-
Alexander Wilson Elementary	10,000	-	1,577	1,577	8,423
EM Yoder Elementary	221,988	-	-	-	221,988
2006 Bond Reallocation projects	4,087,226	2,455,922	1,311,975	3,767,897	319,329
Cummings High School	190,269	15,107	140,987	156,094	34,175
Eastern High School	145,240	16,748	-	16,748	128,492
Elon Elementary	97,500	92,479	-	92,479	5,021
Graham High School	294,839	107,589	7,500	115,089	179,750
Southern High School	423,373	23,983	193,964	217,947	205,426
Western High School	503,926	18,793	228,130	246,923	257,003
Williams High School	52,946	29,179	23,767	52,946	-
Woodlawn Middle School	252,512	57,500	166,662	224,162	28,350
South Graham Elementary	60,500	56,783	236	57,019	3,481
Broadview Middle School	378,113	-	-	-	378,113
Graham Middle School	7,450	-	7,110	7,110	340
South Mebane Elementary	160,000	-	31,259	31,259	128,741
Completed projects	159,499,083	158,944,734	190,582	159,135,316	363,767
School Bond interest costs	5,083,734	5,083,734	-	5,083,734	-
School debt issue costs	1,029,938	1,086,526	-	1,086,526	(56,588)
Total expenditures	186,189,024	181,509,027	2,355,749	183,864,776	2,324,248
Revenues over (under) expenditures	(128,906,671)	(127,490,608)	(858,207)	(128,348,815)	557,856
Other Financing Sources (Uses):					
Transfers in:					
From General Fund	10,155,095	8,636,989	1,518,106	10,155,095	-
From County Buildings Capital Projects Fund	92,332	92,332	-	92,332	-
From Schools Capital Reserve Fund	28,218,539	28,218,539	-	28,218,539	-
Transfers out:					
To General Fund	(16,686,300)	(16,232,613)	(453,687)	(16,686,300)	-
To Schools Capital Reserve Fund	(3,785,784)	(3,785,784)	-	(3,785,784)	-

ALAMANCE COUNTY, NORTH CAROLINA

MAJOR SCHOOLS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Long-term debt issued	143,557,916	143,394,320	-	143,394,320	(163,596)
Refunding bonds issued	33,830,000	33,830,000	-	33,830,000	-
Premium	5,861,313	5,861,313	-	5,861,313	-
Payment to refunded bond escrow agent	(72,336,440)	(72,336,440)	-	(72,336,440)	-
Total other financing sources (uses)	128,906,671	127,678,656	1,064,419	128,743,075	(163,596)
Net change in fund balance	\$ -	\$ 188,048	206,212	\$ 394,260	\$ 394,260

Fund Balance:

Beginning of year - July 1	188,048
End of year - June 30	\$ 394,260

ALAMANCE COUNTY, NORTH CAROLINA

MAJOR RENOVATION AND REPAIR CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Investment earnings - Group A	\$ 20,859	\$ 22,577	\$ -	\$ 22,577	\$ 1,718
Investment earnings - Group B	17,757	20,821	-	20,821	3,064
Total revenues	38,616	43,398	-	43,398	4,782
Expenditures:					
Renovation/repair:					
Professional services	14,235	14,235	-	14,235	-
Architect	25,375	25,375	-	25,375	-
Capital outlay - other improvements	642	642	-	642	-
Total renovation/repair	40,252	40,252	-	40,252	-
Mebane Tower Site:					
Construction	81,205	81,205	-	81,205	-
Total Mebane Tower Site	81,205	81,205	-	81,205	-
Rescue:					
Construction	22,436	22,436	-	22,436	-
Total rescue	22,436	22,436	-	22,436	-
Fire Alarm System:					
Construction	78,672	78,672	-	78,672	-
Total fire alarm system	78,672	78,672	-	78,672	-
Graham Manor:					
Contracted services	223,638	223,638	-	223,638	-
Total Graham Manor	223,638	223,638	-	223,638	-
Roof repairs:					
Roof repairs	29,900	29,900	-	29,900	-
Total roof repairs	29,900	29,900	-	29,900	-
Civil Courtroom:					
Repairs	29,681	29,681	-	29,681	-
Total Civil Courtroom	29,681	29,681	-	29,681	-
Pine Street:					
Siding replacement	8,031	8,031	-	8,031	-
Total Pine Street	8,031	8,031	-	8,031	-

ALAMANCE COUNTY, NORTH CAROLINA

MAJOR RENOVATION AND REPAIR CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
CSI Building:					
HVAC replacement	8,850	8,850	-	8,850	-
Total CSI Building	8,850	8,850	-	8,850	-
AG Building:					
HVAC replacement	24,730	24,730	-	24,730	-
Total AG Building	24,730	24,730	-	24,730	-
Sherriff Jail Complex Parking:					
Construction	2,520	2,520	-	2,520	-
Total Sherriff Jail Complex Parking	2,520	2,520	-	2,520	-
Rudd Street EMS Station:					
Construction	8,075	8,075	-	8,075	-
Total Rudd Street EMS Station	8,075	8,075	-	8,075	-
Human Services Parking:					
Construction	7,110	7,110	-	7,110	-
Total human services parking	7,110	7,110	-	7,110	-
Jail Pipes:					
Construction	11,084	11,084	-	11,084	-
Total jail pipes	11,084	11,084	-	11,084	-
Turrentine Street Fuel Pumps:					
Construction	3,084	3,084	-	3,084	-
Total Turrentine Street Fuel Pumps	3,084	3,084	-	3,084	-
Criminal Courts Compressor:					
Construction	10,996	10,996	-	10,996	-
Total Criminal Courts Compressor	10,996	10,996	-	10,996	-
Jail Valves:					
Construction	18,565	18,565	-	18,565	-
Total Jail Valves	18,565	18,565	-	18,565	-
Elections HVAC:					
Construction	12,650	-	12,650	12,650	-
Total Elections HVAC	12,650	-	12,650	12,650	-

ALAMANCE COUNTY, NORTH CAROLINA

MAJOR RENOVATION AND REPAIR CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

	Project Authorization	Actual		Variance Over/Under
		Prior Years	Current Year	
Jail Air Handler:				
Construction	10,159	10,159	-	-
Total Jail Air Handler	10,159	10,159	-	-
Register of Deeds Carpet:				
Construction	19,081	19,081	-	-
Total Register of Deeds Carpet	19,081	19,081	-	-
Door Security System:				
Construction	29,000	29,000	-	-
Total Door Security System	29,000	29,000	-	-
County Office 2nd Floor HVAC:				
Construction	77,894	77,894	-	-
Total County Office 2nd Floor HVAC	77,894	77,894	-	-
Jail Roof:				
Construction	267,760	248,120	-	19,640
Total Jail Roof	267,760	248,120	-	19,640
Asbestos Training:				
Contracted services	2,248	2,248	-	-
Total Asbestos Training	2,248	2,248	-	-
Probation:				
Construction	4,800	4,800	-	-
Total Probation	4,800	4,800	-	-
Human Services Elevator:				
Construction	21,353	21,353	-	-
Total Human Services Elevator	21,353	21,353	-	-
EMS HVAC:				
Construction	8,075	8,075	-	-
Total EMS HVAC	8,075	8,075	-	-
District Attorney:				
Construction	37,809	36,570	-	1,239
Total District Attorney	37,809	36,570	-	1,239

ALAMANCE COUNTY, NORTH CAROLINA

MAJOR RENOVATION AND REPAIR CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

	Project Authorization	Actual		Variance Over/Under
		Prior Years	Current Year	
Court Services Roof:				
Construction	165,630	87,537	77,742	351
Total Court Services Roof	165,630	87,537	77,742	351
Maintenance Department Roof:				
Construction	31,616	-	28,900	2,716
Total Maintenance Department Roof	31,616	-	28,900	2,716
Old Jail Compressor:				
Construction	10,500	-	13,216	(2,716)
Total Old Jail Compressor	10,500	-	13,216	(2,716)
New Jail Shower Walls:				
Construction	50,000	-	29,900	20,100
Professional services	6,000	-	-	6,000
Contingency	5,559	-	-	5,559
Total New Jail Shower Walls	61,559	-	29,900	31,659
Old Jail Joint Repair:				
Construction	27,000	-	26,289	711
Professional services	10,050	-	-	10,050
Total Old Jail Joint Repair	37,050	-	26,289	10,761
AG Building Alarm System:				
Construction	30,150	-	5,131	25,019
Total AG Building Alarm System	30,150	-	5,131	25,019
Pleasant Grove Septic:				
Construction	15,885	-	15,885	-
Total Pleasant Grove Septic	15,885	-	15,885	-
Purchasing HVAC				
Construction	4,000	-	4,000	-
Professional services	25,275	-	24,275	1,000
Total Purchasing HVAC	29,275	-	28,275	1,000
New Jail Gym Sprinklers:				
Construction	12,231	-	12,229	2
Total New Jail Gym Sprinklers	12,231	-	12,229	2
Completed projects	9,003,513	9,003,513	-	-

ALAMANCE COUNTY, NORTH CAROLINA

MAJOR RENOVATION AND REPAIR CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Total expenditures	10,497,067	10,157,179	250,217	10,407,396	89,671
Revenues over (under) expenditures	(10,458,451)	(10,113,781)	(250,217)	(10,363,998)	94,453
Other Financing Sources (Uses):					
Long-term debt issued:					
Group A	3,500,000	3,500,000	-	3,500,000	-
Group B	5,900,000	5,900,000	-	5,900,000	-
Transfers out	(809,971)	(809,971)	-	(809,971)	-
Transfers in	1,868,422	1,620,905	247,517	1,868,422	-
Total other financing sources (uses)	10,458,451	10,210,934	247,517	10,458,451	-
Net change in fund balance	\$ -	\$ 97,153	(2,700)	\$ 94,453	\$ 94,453
Fund Balance:					
Beginning of year - July 1			97,153		
End of year - June 30			\$ 94,453		

Alamance County, North Carolina
Financial Statements and Schedules

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NONMAJOR GOVERNMENTAL FUNDS

ALAMANCE COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017

	Special Revenue Funds		
	Emergency Telephone System Fund	Fire Districts Funds	Total
Assets:			
Cash and cash equivalents	\$ 1,010,772	\$ 53,837	\$ 1,064,609
Taxes receivable, net	-	199,249	199,249
Accounts receivable, net	55,403	-	55,403
Restricted cash and cash equivalents	-	-	-
Total assets	<u>\$ 1,066,175</u>	<u>\$ 253,086</u>	<u>\$ 1,319,261</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	<u>\$ 248</u>	<u>\$ 53,837</u>	<u>\$ 54,085</u>
Deferred Inflows of Resources:			
Taxes receivable	<u>-</u>	<u>199,249</u>	<u>199,249</u>
Fund Balances:			
Restricted:			
Stabilization by State statute	55,403	-	55,403
Restricted, all other	1,010,524	-	1,010,524
Committed	-	-	-
Total fund balances	<u>1,065,927</u>	<u>-</u>	<u>1,065,927</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,066,175</u>	<u>\$ 253,086</u>	<u>\$ 1,319,261</u>

ALAMANCE COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017

	Capital Projects Funds				Total Nonmajor Governmental Funds
	Capital Reserve Funds	Alamance Community College Fund	800 MHZ Emergency Equipment Fund	Total	
Assets:					
Cash and cash equivalents	\$ 343,161	\$ 3,140,263	\$ -	\$ 3,483,424	\$ 4,548,033
Taxes receivable, net	-	-	-	-	199,249
Accounts receivable, net	-	-	2,065	2,065	57,468
Restricted cash and cash equivalents	-	-	42,819	42,819	42,819
Total assets	<u>\$ 343,161</u>	<u>\$ 3,140,263</u>	<u>\$ 44,884</u>	<u>\$ 3,528,308</u>	<u>\$ 4,847,569</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 54,085
Deferred Inflows of Resources:					
Taxes receivable	-	-	-	-	199,249
Fund Balances:					
Restricted:					
Stabilization by State statute	-	-	2,065	2,065	57,468
Restricted, all other	-	-	42,819	42,819	1,053,343
Committed	343,161	3,140,263	-	3,483,424	3,483,424
Total fund balances	<u>343,161</u>	<u>3,140,263</u>	<u>44,884</u>	<u>3,528,308</u>	<u>4,594,235</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 343,161</u>	<u>\$ 3,140,263</u>	<u>\$ 44,884</u>	<u>\$ 3,528,308</u>	<u>\$ 4,847,569</u>

ALAMANCE COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017

	Special Revenue Funds		
	Emergency Telephone System Fund	Fire Districts Funds	Total
Revenues:			
Ad valorem taxes	\$ -	\$ 5,110,837	\$ 5,110,837
Restricted intergovernmental	661,585	-	661,585
Investment earnings	16,264	-	16,264
Total revenues	<u>677,849</u>	<u>5,110,837</u>	<u>5,788,686</u>
Expenditures:			
Current:			
Public safety	<u>854,919</u>	<u>5,110,837</u>	<u>5,965,756</u>
Intergovernmental:			
Education	-	-	-
Debt service:			
Issuance costs	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>854,919</u>	<u>5,110,837</u>	<u>5,965,756</u>
Revenues over (under) expenditures	<u>(177,070)</u>	<u>-</u>	<u>(177,070)</u>
Other Financing Sources (Uses):			
Long-term debt issued	-	-	-
Bond premium	-	-	-
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(177,070)	-	(177,070)
Fund Balances:			
Beginning of year - July 1	<u>1,242,997</u>	<u>-</u>	<u>1,242,997</u>
End of year - June 30	<u>\$ 1,065,927</u>	<u>\$ -</u>	<u>\$ 1,065,927</u>

ALAMANCE COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017

	Capital Projects Funds				Total Nonmajor Governmental Funds
	Capital Reserve Funds	Alamance Community College Fund	800 MHZ Emergency Equipment Fund	Total	
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ 5,110,837
Restricted intergovernmental	-	-	-	-	661,585
Investment earnings	5,226	33,440	-	38,666	54,930
Total revenues	5,226	33,440	-	38,666	5,827,352
Expenditures:					
Current:					
Public safety	-	-	-	-	5,965,756
Intergovernmental:					
Education	-	13,165,058	-	13,165,058	13,165,058
Debt service:					
Issuance costs	-	77,796	-	77,796	77,796
Total expenditures	-	13,242,854	-	13,242,854	19,208,610
Revenues over (under) expenditures	5,226	(13,209,414)	-	(13,204,188)	(13,381,258)
Other Financing Sources (Uses):					
Long-term debt issued	-	15,000,000	-	15,000,000	15,000,000
Bond premium	-	1,067,762	-	1,067,762	1,067,762
Transfers in	2,483	-	-	2,483	2,483
Total other financing sources (uses)	2,483	16,067,762	-	16,070,245	16,070,245
Net change in fund balances	7,709	2,858,348	-	2,866,057	2,688,987
Fund Balances:					
Beginning of year - July 1	335,452	281,915	44,884	662,251	1,905,248
End of year - June 30	\$ 343,161	\$ 3,140,263	\$ 44,884	\$ 3,528,308	\$ 4,594,235

Alamance County, North Carolina
Financial Statements and Schedules

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NONMAJOR SPECIAL REVENUE FUNDS

Alamance County, North Carolina
Financial Statements and Schedules

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ALAMANCE COUNTY, NORTH CAROLINA

EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental	\$ 661,686	\$ 661,585	\$ (101)	\$ 761,111
Investment earnings	-	16,264	16,264	7,502
Total revenues	<u>661,686</u>	<u>677,849</u>	<u>16,163</u>	<u>768,613</u>
Expenditures:				
Implemental functions	97,714	77,519	20,195	41,138
Telephone	696,855	352,774	344,081	99,105
Software maintenance	129,000	104,661	24,339	141,379
Hardware maintenance	310,000	308,650	1,350	293,345
Training	16,150	11,315	4,835	8,807
Total expenditures	<u>1,249,719</u>	<u>854,919</u>	<u>394,800</u>	<u>583,774</u>
Revenues over (under) expenditures	<u>(588,033)</u>	<u>(177,070)</u>	<u>410,963</u>	<u>184,839</u>
Other Financing Sources (Uses):				
Appropriated fund balance	<u>588,033</u>	<u>-</u>	<u>(588,033)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(177,070)</u>	<u>\$ (177,070)</u>	<u>184,839</u>
Fund Balance:				
Beginning of year - July 1		<u>1,242,997</u>		<u>1,058,158</u>
End of year - June 30		<u>\$ 1,065,927</u>		<u>\$ 1,242,997</u>

PSAP RECONCILIATION
JUNE 30, 2017

Amounts reported on the Emergency Telephone System Fund budget to actual are different from the PSAP revenue-expenditure report because:

Net change in fund balance, reported budget to actual	\$ (177,070)
Cumulative current and prior period revenues and expenditures not reported in the fund (difference in beginning fund balance - budget to actual vs. PSAP report)	(96,960)
Beginning balance, PSAP revenue-expenditure report	<u>1,259,841</u>
Ending balance, PSAP revenue-expenditure report	<u>\$ 985,811</u>

ALAMANCE COUNTY, NORTH CAROLINA

FIRE DISTRICTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017

	<u>Swepsonville Fund</u>	<u>54 East Fund</u>	<u>Elon Fire / Rescue Fund</u>	<u>Faucette Fund</u>	<u>North Eastern Alamance Fund</u>	<u>North Central Alamance Fund</u>
Assets:						
Cash and cash equivalents	\$ 8,735	\$ 2,804	\$ 3,358	\$ 5,655	\$ 3,323	\$ 1,471
Taxes receivable, net	19,989	10,818	6,888	16,782	17,114	2,184
Total assets	<u>\$ 28,724</u>	<u>\$ 13,622</u>	<u>\$ 10,246</u>	<u>\$ 22,437</u>	<u>\$ 20,437</u>	<u>\$ 3,655</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable	\$ 8,735	\$ 2,804	\$ 3,358	\$ 5,655	\$ 3,323	\$ 1,471
Deferred Inflows of Resources:						
Taxes receivable	19,989	10,818	6,888	16,782	17,114	2,184
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 28,724</u>	<u>\$ 13,622</u>	<u>\$ 10,246</u>	<u>\$ 22,437</u>	<u>\$ 20,437</u>	<u>\$ 3,655</u>

ALAMANCE COUNTY, NORTH CAROLINA

FIRE DISTRICTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017

	<u>Eli Whitney/87 South Fund</u>	<u>E.M. Holt Fund</u>	<u>Altamahaw- Ossipee Fund</u>	<u>East Alamance Fund</u>	<u>Haw River Fund</u>	<u>Snow Camp Fund</u>	<u>Total</u>
Assets:							
Cash and cash equivalents	\$ 3,326	\$ 7,219	\$ 5,387	\$ 4,765	\$ 3,504	\$ 4,290	\$ 53,837
Taxes receivable, net	<u>12,962</u>	<u>32,595</u>	<u>14,734</u>	<u>13,200</u>	<u>22,578</u>	<u>29,405</u>	<u>199,249</u>
Total assets	<u>\$ 16,288</u>	<u>\$ 39,814</u>	<u>\$ 20,121</u>	<u>\$ 17,965</u>	<u>\$ 26,082</u>	<u>\$ 33,695</u>	<u>\$ 253,086</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:							
Liabilities:							
Accounts payable	<u>\$ 3,326</u>	<u>\$ 7,219</u>	<u>\$ 5,387</u>	<u>\$ 4,765</u>	<u>\$ 3,504</u>	<u>\$ 4,290</u>	<u>\$ 53,837</u>
Deferred Inflows of Resources:							
Taxes receivable	<u>12,962</u>	<u>32,595</u>	<u>14,734</u>	<u>13,200</u>	<u>22,578</u>	<u>29,405</u>	<u>199,249</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 16,288</u>	<u>\$ 39,814</u>	<u>\$ 20,121</u>	<u>\$ 17,965</u>	<u>\$ 26,082</u>	<u>\$ 33,695</u>	<u>\$ 253,086</u>

ALAMANCE COUNTY, NORTH CAROLINA

FIRE DISTRICTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Swepsonville Fund</u>	<u>54 East Fund</u>	<u>Elon Fire / Rescue Fund</u>	<u>Faucette Fund</u>	<u>North Eastern Alamance Fund</u>	<u>North Central Alamance Fund</u>
Revenues:						
Ad valorem taxes:						
Taxes	\$ 748,598	\$ 327,884	\$ 287,772	\$ 471,967	\$ 322,337	\$ 145,705
Penalties and interest	2,898	1,411	867	1,937	2,624	487
Total revenues	<u>751,496</u>	<u>329,295</u>	<u>288,639</u>	<u>473,904</u>	<u>324,961</u>	<u>146,192</u>
Expenditures:						
Current:						
Public safety	<u>751,496</u>	<u>329,295</u>	<u>288,639</u>	<u>473,904</u>	<u>324,961</u>	<u>146,192</u>
Fund Balances:						
Beginning of year - July 1	-	-	-	-	-	-
End of year - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ALAMANCE COUNTY, NORTH CAROLINA

FIRE DISTRICTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017

	Eli Whitney/87 South Fund	E.M. Holt Fund	Altamahaw- Ossipee Fund	East Alamance Fund	Haw River Fund	Snow Camp Fund	Total
Revenues:							
Ad valorem taxes:							
Taxes	\$ 379,229	\$ 729,247	\$ 485,923	\$ 448,131	\$ 282,466	\$ 456,410	\$ 5,085,669
Penalties and interest	2,275	2,520	2,125	2,086	2,946	2,992	25,168
Total revenues	<u>381,504</u>	<u>731,767</u>	<u>488,048</u>	<u>450,217</u>	<u>285,412</u>	<u>459,402</u>	<u>5,110,837</u>
Expenditures:							
Current:							
Public safety	<u>381,504</u>	<u>731,767</u>	<u>488,048</u>	<u>450,217</u>	<u>285,412</u>	<u>459,402</u>	<u>5,110,837</u>
Fund Balances:							
Beginning of year - July 1	-	-	-	-	-	-	-
End of year - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ALAMANCE COUNTY, NORTH CAROLINA

FIRE DISTRICTS FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes:				
Swepsonville	\$ 742,762	\$ 751,496	\$ 8,734	\$ 727,203
54 East	326,491	329,295	2,804	320,217
Elon Fire/Rescue	285,281	288,639	3,358	286,269
Faucette	468,248	473,904	5,656	396,977
North Eastern Alamance	321,636	324,961	3,325	261,778
North Central Alamance	144,722	146,192	1,470	131,276
Eli Whitney/87 South	378,178	381,504	3,326	379,079
E.M. Holt	724,549	731,767	7,218	718,871
Altamahaw-Ossipee	482,660	488,048	5,388	479,647
East Alamance	445,451	450,217	4,766	436,916
Haw River	281,908	285,412	3,504	288,082
Snow Camp	455,112	459,402	4,290	452,125
Total revenues	5,056,998	5,110,837	53,839	4,878,440
Expenditures:				
Current:				
Public safety:				
Swepsonville	742,762	751,496	(8,734)	727,203
54 East	326,491	329,295	(2,804)	320,217
Elon Fire/Rescue	285,281	288,639	(3,358)	286,269
Faucette	468,248	473,904	(5,656)	396,977
North Eastern Alamance	321,636	324,961	(3,325)	261,778
North Central Alamance	144,722	146,192	(1,470)	131,276
Eli Whitney/87 South	378,178	381,504	(3,326)	379,079
E.M. Holt	724,549	731,767	(7,218)	718,871
Altamahaw-Ossipee	482,660	488,048	(5,388)	479,647
East Alamance	445,451	450,217	(4,766)	436,916
Haw River	281,908	285,412	(3,504)	288,082
Snow Camp	455,112	459,402	(4,290)	452,125
Total expenditures	5,056,998	5,110,837	(53,839)	4,878,440
Net change in fund balance	\$ -	-	\$ -	-
Fund Balance:				
Beginning of year - July 1		-		-
End of year - June 30		\$ -		\$ -

NONMAJOR CAPITAL PROJECT FUNDS

Alamance County, North Carolina
Financial Statements and Schedules

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ALAMANCE COUNTY, NORTH CAROLINA

CAPITAL RESERVE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017

	Schools Fund	County Buildings Fund	Alamance Community College Fund	Total
Assets:				
Cash and cash equivalents	\$ 320,279	\$ 17,643	\$ 5,239	\$ 343,161
Total assets	<u>\$ 320,279</u>	<u>\$ 17,643</u>	<u>\$ 5,239</u>	<u>\$ 343,161</u>
Fund Balances:				
Committed	\$ 320,279	\$ 17,643	\$ 5,239	\$ 343,161
Total fund balances	<u>\$ 320,279</u>	<u>\$ 17,643</u>	<u>\$ 5,239</u>	<u>\$ 343,161</u>

ALAMANCE COUNTY, NORTH CAROLINA

CAPITAL RESERVE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017

	Schools Fund	County Buildings Fund	Alamance Community College Fund	Total
Revenues:				
Investment earnings	\$ 4,884	\$ 262	\$ 80	\$ 5,226
Other Financing Sources (Uses):				
Transfers in	-	2,483	-	2,483
Net change in fund balances	4,884	2,745	80	7,709
Fund Balances:				
Beginning of year - July 1	315,395	14,898	5,159	335,452
End of year - June 30	<u>\$ 320,279</u>	<u>\$ 17,643</u>	<u>\$ 5,239</u>	<u>\$ 343,161</u>

ALAMANCE COUNTY, NORTH CAROLINA

CAPITAL RESERVE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings:				
Schools	\$ 1,000	\$ 4,884	\$ 3,884	\$ 1,753
County buildings	1,000	262	(738)	494
Alamance Community College	1,000	80	(920)	32
Total revenues	<u>3,000</u>	<u>5,226</u>	<u>2,226</u>	<u>2,279</u>
Expenditures:				
Contingency:				
Schools	1,000	-	1,000	-
County buildings	1,000	-	1,000	-
Alamance Community College	1,000	-	1,000	-
Total expenditures	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>5,226</u>	<u>5,226</u>	<u>2,279</u>
Other Financing Sources (Uses):				
Schools:				
Transfer from Schools Capital Project Fund	-	-	-	278,908
County Building:				
Transfers in from other funds	247,517	2,483	(245,034)	200,000
Transfers out to other funds	(247,517)	-	247,517	(207,966)
Total other financing sources (uses)	<u>-</u>	<u>2,483</u>	<u>2,483</u>	<u>270,942</u>
Net change in fund balance	<u>\$ -</u>	<u>7,709</u>	<u>\$ 7,709</u>	<u>273,221</u>
Fund Balance:				
Beginning of year - July 1		<u>335,452</u>		<u>62,231</u>
End of year - June 30		<u>\$ 343,161</u>		<u>\$ 335,452</u>

ALAMANCE COUNTY, NORTH CAROLINA

ALAMANCE COMMUNITY COLLEGE CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Investment earnings	\$ 533,000	\$ 540,717	\$ 33,440	\$ 574,157	\$ 41,157
Expenditures:					
General construction - ACC	4,500,000	4,500,000	-	4,500,000	-
Bond issuance cost	145,529	43,849	77,796	121,645	23,884
Glass replacement	300,000	300,000	-	300,000	-
General construction - Allied Health Building	6,481,843	6,481,843	-	6,481,843	-
General construction - Literacy Building	1,921,157	1,648,639	-	1,648,639	272,518
General construction - Tech Center	15,967,762	-	13,165,058	13,165,058	2,802,704
Total expenditures	29,316,291	12,974,331	13,242,854	26,217,185	3,099,106
Revenues over (under) expenditures	(28,783,291)	(12,433,614)	(13,209,414)	(25,643,028)	3,140,263
Other Financing Sources (Uses):					
Transfers in:					
From General Fund	1,744,500	1,744,500	-	1,744,500	-
From ACC Capital Reserve Fund	670,000	670,000	-	670,000	-
Transfers out:					
To General Fund	(1,744,500)	(1,744,500)	-	(1,744,500)	-
Bonds issued	27,045,529	12,045,529	15,000,000	27,045,529	-
Bond premium	1,067,762	-	1,067,762	1,067,762	-
Total other financing sources (uses)	28,783,291	12,715,529	16,067,762	28,783,291	-
Net change in fund balance	\$ -	\$ 281,915	2,858,348	\$ 3,140,263	\$ 3,140,263
Fund Balance:					
Beginning of year - July 1			281,915		
End of year - June 30			\$ 3,140,263		

ALAMANCE COUNTY, NORTH CAROLINA

800 MHZ EMERGENCY COMMUNICATION EQUIPMENT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Investment earnings	\$ 10,920	\$ 14,258	\$ -	\$ 14,258	\$ 3,338
Expenditures:					
Contracted services	447,784	445,084	-	445,084	2,700
Capital outlay - equipment	3,853,594	3,853,095	-	3,853,095	499
Capital outlay - other improvements	348,622	343,035	-	343,035	5,587
Principal payments on lease	10,920	10,920	-	10,920	-
Total expenditures	4,660,920	4,652,134	-	4,652,134	8,786
Revenues over (under) expenditures	(4,650,000)	(4,637,876)	-	(4,637,876)	12,124
Other Financing Sources (Uses):					
Installment debt issued	4,650,000	4,650,000	-	4,650,000	-
Capital lease issued	-	32,760	-	32,760	32,760
Total other financing sources (uses)	4,650,000	4,682,760	-	4,682,760	32,760
Net change in fund balance	\$ -	\$ 44,884	-	\$ 44,884	\$ 44,884
Fund Balance:					
Beginning of year - July 1			44,884		
End of year - June 30			\$ 44,884		

Alamance County, North Carolina
Financial Statements and Schedules

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ENTERPRISE FUND

Alamance County, North Carolina
Financial Statements and Schedules

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ALAMANCE COUNTY, NORTH CAROLINA

LANDFILL ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Landfill user charges	\$ 3,225,300	\$ 3,687,016	\$ 461,716	\$ 3,696,910
Miscellaneous	318,000	788,450	470,450	425,431
Total operating revenues	3,543,300	4,475,466	932,166	4,122,341
Non-operating revenues:				
Interest on investments	2,000	21,343	19,343	11,011
Total revenues	3,545,300	4,496,809	951,509	4,133,352
Expenditures:				
Environmental protection:				
Landfill:				
Administration:				
Fixed charges and other expenditures	154,915	154,915	-	144,199
Operations:				
Salaries and benefits	1,198,955	1,133,128	65,827	1,006,818
Supplies and materials	47,400	37,927	9,473	38,177
Current obligations and services	884,505	482,466	402,039	531,412
State mandated MSW/C&D charges	180,000	189,874	(9,874)	195,863
Fixed charges and other expenditures	656,751	578,811	77,940	551,216
Total operations expenditures	2,967,611	2,422,206	545,405	2,323,486
Total environmental protection	3,122,526	2,577,121	545,405	2,467,685
Budgetary appropriations:				
Other capital outlay	1,479,550	1,458,988	20,562	301,126
Total expenditures	4,602,076	4,036,109	565,967	2,768,811
Revenues over (under) expenditures	(1,056,776)	460,700	1,517,476	1,364,541

ALAMANCE COUNTY, NORTH CAROLINA

LANDFILL ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	Budget	Actual	Variance Over/Under	Actual
Other Financing Sources (Uses):				
Appropriated net position	1,056,776	-	(1,056,776)	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 460,700	\$ 460,700	\$ 1,364,541
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 460,700		\$ 1,364,541
Reconciling items:				
Capital outlay		1,458,988		255,701
Loss on disposal of capital assets		(667)		-
Change in accrued landfill closure and post-closure care costs		(560,542)		(407,834)
Change in compensated absences payable		(7,160)		10,474
Change in deferred outflows of resources - pension		(182,580)		-
Change in net pension liability		216,351		52,391
Change in deferred inflows of resources - pension		(19,736)		(29,703)
Change in other post-employment benefits		(99,797)		(74,067)
Depreciation		(731,064)		(715,535)
Change in net position		\$ 534,493		\$ 455,968

INTERNAL SERVICE FUNDS

Alamance County, North Carolina
Financial Statements and Schedules

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ALAMANCE COUNTY, NORTH CAROLINA

ALL INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF NET POSITION
 JUNE 30, 2017

	<u>Employee Insurance Fund</u>	<u>Workers' Compensation Fund</u>	<u>Property Insurance Fund</u>	<u>Total</u>
Assets:				
Current assets:				
Cash and cash equivalents	\$ -	\$ 684,632	\$ 129,939	\$ 814,571
Accounts receivable, net	<u>7,460</u>	<u>1,459</u>	<u>-</u>	<u>8,919</u>
Total current assets	<u>7,460</u>	<u>686,091</u>	<u>129,939</u>	<u>823,490</u>
Liabilities:				
Current liabilities:				
Accounts payable	405,013	20,462	-	425,475
Due to other funds	<u>2,005,486</u>	<u>-</u>	<u>-</u>	<u>2,005,486</u>
Total current liabilities	<u>2,410,499</u>	<u>20,462</u>	<u>-</u>	<u>2,430,961</u>
Net Position:				
Unrestricted	<u>\$ (2,403,039)</u>	<u>\$ 665,629</u>	<u>\$ 129,939</u>	<u>\$ (1,607,471)</u>

ALAMANCE COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

	Employee Insurance Fund	Workers' Compensation Fund	Property Insurance Fund	Total
Operating Revenues:				
Charges for services	\$ 9,376,719	\$ 698,844	\$ 527,590	\$ 10,603,153
Excess claims reimbursements	15,973	-	-	15,973
Total operating revenues	<u>9,392,692</u>	<u>698,844</u>	<u>527,590</u>	<u>10,619,126</u>
Operating Expenditures:				
Administration	6,212	938	18,850	26,000
Personal services	11,020,566	751,804	-	11,772,370
Fixed charges and other expenditures	12,527	3,878	524,052	540,457
Total operating expenditures	<u>11,039,305</u>	<u>756,620</u>	<u>542,902</u>	<u>12,338,827</u>
Operating income (loss)	<u>(1,646,613)</u>	<u>(57,776)</u>	<u>(15,312)</u>	<u>(1,719,701)</u>
Non-Operating Revenue (Expense):				
Investment earnings	<u>174</u>	<u>12,176</u>	<u>1,981</u>	<u>14,331</u>
Change in net position	(1,646,439)	(45,600)	(13,331)	(1,705,370)
Net Position:				
Beginning of year- July 1	<u>(756,600)</u>	<u>711,229</u>	<u>143,270</u>	<u>97,899</u>
End of year - June 30	<u>\$ (2,403,039)</u>	<u>\$ 665,629</u>	<u>\$ 129,939</u>	<u>\$ (1,607,471)</u>

ALAMANCE COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

	Employee Insurance Fund	Workers' Compensation Fund	Property Insurance Fund	Total
Cash Flows from Operating Activities:				
Cash received from customers	\$ 9,392,686	\$ 698,844	\$ 527,590	\$ 10,619,120
Cash paid for goods and services	<u>(11,095,442)</u>	<u>(765,754)</u>	<u>(528,502)</u>	<u>(12,389,698)</u>
Net cash provided (used) by operating activities	<u>(1,702,756)</u>	<u>(66,910)</u>	<u>(912)</u>	<u>(1,770,578)</u>
Cash Flows from Non-Capital Financing Activities:				
Advances to/from other funds	<u>1,702,582</u>	<u>-</u>	<u>-</u>	<u>1,702,582</u>
Cash Flows from Investing Activities:				
Investment earnings	<u>174</u>	<u>12,176</u>	<u>1,981</u>	<u>14,331</u>
Net increase (decrease) in cash and cash equivalents	-	(54,734)	1,069	(53,665)
Cash and Cash Equivalents/Investments:				
Beginning of year - July 1	<u>-</u>	<u>739,366</u>	<u>128,870</u>	<u>868,236</u>
End of year - June 30	<u>\$ -</u>	<u>\$ 684,632</u>	<u>\$ 129,939</u>	<u>\$ 814,571</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (1,646,613)	\$ (57,776)	\$ (15,312)	\$ (1,719,701)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(6)	-	-	(6)
Increase (decrease) in accounts payable	<u>(56,137)</u>	<u>(9,134)</u>	<u>14,400</u>	<u>(50,871)</u>
Net cash provided (used) by operating activities	<u>\$ (1,702,756)</u>	<u>\$ (66,910)</u>	<u>\$ (912)</u>	<u>\$ (1,770,578)</u>

ALAMANCE COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS -
EMPLOYEE INSURANCE FUNDSCHEDULE OF REVENUES AND EXPENDITURES -
FINANCIAL PLAN AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	Financial Plan	Actual	Variance Over/Under	Actual
Operating Revenues:				
Charges for services	\$ 8,833,646	\$ 9,376,719	\$ 543,073	\$ 8,336,657
Excess claims reimbursements	-	15,973	15,973	-
Total operating revenues	8,833,646	9,392,692	559,046	8,336,657
Non-Operating Revenue (Expense):				
Investment earnings	5,000	174	(4,826)	15
Total revenues	8,838,646	9,392,866	554,220	8,336,672
Operating Expenditures:				
Administration	6,212	6,212	-	5,529
Personal services	8,819,778	11,020,566	(2,200,788)	9,535,099
Fixed charges and other expenditures	14,300	12,527	1,773	16,971
Total operating expenditures	8,840,290	11,039,305	(2,199,015)	9,557,599
Revenues over (under) expenditures	(1,644)	(1,646,439)	(1,644,795)	(1,220,927)
Other Financing Sources (Uses):				
Transfers from other funds	-	-	-	2,000,000
Appropriated net position	1,644	-	(1,644)	-
Total other financing sources (uses)	1,644	-	(1,644)	2,000,000
Change in net position	\$ -	\$ (1,646,439)	\$ (1,646,439)	\$ 779,073
Reconciliation of Financial Plan Basis (Modified Accrual) to Full Accrual:				
Change in net position		\$ (1,646,439)		\$ 779,073

ALAMANCE COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS

WORKERS' COMPENSATION FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

FINANCIAL PLAN AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	Financial Plan	Actual	Variance Over/Under	Actual
Operating Revenues:				
Charges for services	\$ 899,000	\$ 698,844	\$ (200,156)	\$ 500,104
Non-Operating Revenues:				
Investment earnings	1,001	12,176	11,175	7,083
Total revenues	900,001	711,020	(188,981)	507,187
Operating Expenditures:				
Administration	938	938	-	578
Personal services	895,063	751,804	143,259	790,953
Fixed charges and other expenditures	4,000	3,878	122	3,969
Total operating expenditures	900,001	756,620	143,381	795,500
Revenues over (under) expenditures	-	(45,600)	(45,600)	(288,313)
Other Financing Sources (Uses):				
Transfers to other funds	-	-	-	(2,000,000)
Change in net position	\$ -	\$ (45,600)	\$ (45,600)	\$ (2,288,313)
Reconciliation of Financial Plan Basis (Modified Accrual) to Full Accrual:				
Change in net position		\$ (45,600)		\$ (2,288,313)

ALAMANCE COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS

PROPERTY INSURANCE FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

FINANCIAL PLAN AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	Financial Plan	Actual	Variance Over/Under	Actual
Operating Revenues:				
Charges for services	\$ 527,590	\$ 527,590	\$ -	\$ 527,589
Non-Operating Revenue (Expense):				
Investment earnings	-	1,981	1,981	850
Total revenues	527,590	529,571	1,981	528,439
Operating Expenditures:				
Administration	20,000	18,850	1,150	16,950
Fixed charges and other expenditures	557,590	524,052	33,538	389,296
Total operating expenditures	577,590	542,902	34,688	406,246
Revenues over (under) expenditures	(50,000)	(13,331)	36,669	122,193
Other Financing Sources (Uses):				
Appropriated net position	50,000	-	(50,000)	-
Change in net position	\$ -	\$ (13,331)	\$ (13,331)	\$ 122,193
Reconciliation of Financial Plan Basis (Modified Accrual) to Full Accrual:				
Change in net position		\$ (13,331)		\$ 122,193

FIDUCIARY FUNDS

Alamance County, North Carolina
Financial Statements and Schedules

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ALAMANCE COUNTY, NORTH CAROLINA

FIDUCIARY FUNDS

COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2017

	<u>Private-Purpose Trust Funds</u>		
	<u>Indigent Trust Fund</u>	<u>General Trust Fund</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 122,281	\$ 116,807	\$ 239,088
Total assets	<u>\$ 122,281</u>	<u>\$ 116,807</u>	<u>\$ 239,088</u>
Net Position:			
Assets held in trust for beneficiaries	\$ 122,281	\$ 116,807	\$ 239,088
Total net position	<u>\$ 122,281</u>	<u>\$ 116,807</u>	<u>\$ 239,088</u>

ALAMANCE COUNTY, NORTH CAROLINA

PRIVATE-PURPOSE TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2017

	Indigent Trust Fund	General Trust Fund	Total
Additions:			
Restricted intergovernmental	\$ 478,263	\$ -	\$ 478,263
Permits and fees	-	39,860	39,860
Investment earnings	-	114	114
Inmate and health deposits	-	1,157,419	1,157,419
Total additions	<u>478,263</u>	<u>1,197,393</u>	<u>1,675,656</u>
Deductions:			
Current:			
Human services	<u>450,861</u>	<u>1,126,046</u>	<u>1,576,907</u>
Change in net position	27,402	71,347	98,749
Net Position:			
Beginning of year - July 1	<u>94,879</u>	<u>45,460</u>	<u>140,339</u>
End of year - June 30	<u>\$ 122,281</u>	<u>\$ 116,807</u>	<u>\$ 239,088</u>

AGENCY FUNDS

ALAMANCE COUNTY, NORTH CAROLINA

AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2017

	Village of Alamance Fund	Town of Haw River Fund	Altamahaw- Ossipee Sanitary District Fund	Town of Green Level Fund	City of Graham Fund
Assets:					
Cash and cash equivalents	\$ 2,182	\$ 7,416	\$ 160	\$ 3,586	\$ 44,288
Taxes receivable, net	<u>2,800</u>	<u>25,777</u>	<u>1,169</u>	<u>47,607</u>	<u>42,048</u>
Total assets	<u>\$ 4,982</u>	<u>\$ 33,193</u>	<u>\$ 1,329</u>	<u>\$ 51,193</u>	<u>\$ 86,336</u>
Liabilities:					
Intergovernmental payable	<u>\$ 4,982</u>	<u>\$ 33,193</u>	<u>\$ 1,329</u>	<u>\$ 51,193</u>	<u>\$ 86,336</u>
Total liabilities	<u>\$ 4,982</u>	<u>\$ 33,193</u>	<u>\$ 1,329</u>	<u>\$ 51,193</u>	<u>\$ 86,336</u>

ALAMANCE COUNTY, NORTH CAROLINA

AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2017

	City of Burlington Fund	Town of Elon Fund	City of Mebane Fund	Town of Gibsonville Fund	Total
Assets:					
Taxes receivable, net	\$ 235,690 179,157	\$ 22,062 7,072	\$ 49,245 125,637	\$ 18,258 5,737	\$ 382,887 437,004
Total assets	<u>\$ 414,847</u>	<u>\$ 29,134</u>	<u>\$ 174,882</u>	<u>\$ 23,995</u>	<u>\$ 819,891</u>
Liabilities:					
Intergovernmental payable	<u>\$ 414,847</u>	<u>\$ 29,134</u>	<u>\$ 174,882</u>	<u>\$ 23,995</u>	<u>\$ 819,891</u>
Total liabilities	<u>\$ 414,847</u>	<u>\$ 29,134</u>	<u>\$ 174,882</u>	<u>\$ 23,995</u>	<u>\$ 819,891</u>

ALAMANCE COUNTY, NORTH CAROLINA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
Village of Alamance Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 200,593	\$ 198,411	\$ 2,182
Taxes receivable (net)	4,480	198,913	200,593	2,800
Total assets	<u>\$ 4,480</u>	<u>\$ 399,506</u>	<u>\$ 399,004</u>	<u>\$ 4,982</u>
Liabilities:				
Intergovernmental payable	<u>\$ 4,480</u>	<u>\$ 399,506</u>	<u>\$ 399,004</u>	<u>\$ 4,982</u>
Town of Haw River Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 725,161	\$ 717,745	\$ 7,416
Taxes receivable (net)	33,844	717,094	725,161	25,777
Total assets	<u>\$ 33,844</u>	<u>\$ 1,442,255</u>	<u>\$ 1,442,906</u>	<u>\$ 33,193</u>
Liabilities:				
Intergovernmental payable	<u>\$ 33,844</u>	<u>\$ 1,442,255</u>	<u>\$ 1,442,906</u>	<u>\$ 33,193</u>
Altamahaw-Ossipee Sanitary District Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 17,530	\$ 17,370	\$ 160
Taxes receivable (net)	1,533	17,166	17,530	1,169
Total assets	<u>\$ 1,533</u>	<u>\$ 34,696</u>	<u>\$ 34,900</u>	<u>\$ 1,329</u>
Liabilities:				
Intergovernmental payable	<u>\$ 1,533</u>	<u>\$ 34,696</u>	<u>\$ 34,900</u>	<u>\$ 1,329</u>
Town of Green Level Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 262,100	\$ 258,514	\$ 3,586
Taxes receivable (net)	62,494	247,213	262,100	47,607
Total assets	<u>\$ 62,494</u>	<u>\$ 509,313</u>	<u>\$ 520,614</u>	<u>\$ 51,193</u>
Liabilities:				
Intergovernmental payable	<u>\$ 62,494</u>	<u>\$ 509,313</u>	<u>\$ 520,614</u>	<u>\$ 51,193</u>
City of Graham Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 454,565	\$ 410,277	\$ 44,288
Taxes receivable (net)	99,954	396,659	454,565	42,048
Total assets	<u>\$ 99,954</u>	<u>\$ 851,224</u>	<u>\$ 864,842</u>	<u>\$ 86,336</u>
Liabilities:				
Intergovernmental payable	<u>\$ 99,954</u>	<u>\$ 851,224</u>	<u>\$ 864,842</u>	<u>\$ 86,336</u>

ALAMANCE COUNTY, NORTH CAROLINA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
City of Burlington Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 2,275,707	\$ 2,040,017	\$ 235,690
Taxes receivable (net)	431,639	2,023,225	2,275,707	179,157
Total assets	<u>\$ 431,639</u>	<u>\$ 4,298,932</u>	<u>\$ 4,315,724</u>	<u>\$ 414,847</u>
Liabilities:				
Intergovernmental payable	<u>\$ 431,639</u>	<u>\$ 4,298,932</u>	<u>\$ 4,315,724</u>	<u>\$ 414,847</u>
Town of Elon Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 206,197	\$ 184,135	\$ 22,062
Taxes receivable (net)	29,232	184,037	206,197	7,072
Total assets	<u>\$ 29,232</u>	<u>\$ 390,234</u>	<u>\$ 390,332</u>	<u>\$ 29,134</u>
Liabilities:				
Intergovernmental payable	<u>\$ 29,232</u>	<u>\$ 390,234</u>	<u>\$ 390,332</u>	<u>\$ 29,134</u>
City of Mebane Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 7,648,807	\$ 7,599,562	\$ 49,245
Taxes receivable (net)	74,007	7,700,437	7,648,807	125,637
Total assets	<u>\$ 74,007</u>	<u>\$ 15,349,244</u>	<u>\$ 15,248,369</u>	<u>\$ 174,882</u>
Liabilities:				
Intergovernmental payable	<u>\$ 74,007</u>	<u>\$ 15,349,244</u>	<u>\$ 15,248,369</u>	<u>\$ 174,882</u>
Town of Gibsonville Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 145,745	\$ 127,487	\$ 18,258
Taxes receivable (net)	23,871	127,611	145,745	5,737
Total assets	<u>\$ 23,871</u>	<u>\$ 273,356</u>	<u>\$ 273,232</u>	<u>\$ 23,995</u>
Liabilities:				
Intergovernmental payable	<u>\$ 23,871</u>	<u>\$ 273,356</u>	<u>\$ 273,232</u>	<u>\$ 23,995</u>
Fines and Forfeitures Fund:				
Assets:				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 949,394</u>	<u>\$ 949,394</u>	<u>\$ -</u>
Liabilities:				
Intergovernmental payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ALAMANCE COUNTY, NORTH CAROLINA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
Total - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ -	\$ 949,394	\$ 949,394	\$ 382,887
Taxes receivable (net)	761,054	11,612,355	11,936,405	437,004
Total assets	<u>\$ 761,054</u>	<u>\$ 12,561,749</u>	<u>\$ 12,885,799</u>	<u>\$ 819,891</u>
Liabilities:				
Intergovernmental payable	<u>\$ 761,054</u>	<u>\$ 23,548,760</u>	<u>\$ 23,489,923</u>	<u>\$ 819,891</u>

SUPPLEMENTAL FINANCIAL DATA

Alamance County, North Carolina
Financial Statements and Schedules

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ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2017

<u>Fiscal Year</u>	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Balance June 30, 2017</u>
2016-2017	\$ -	\$ 78,017,776	\$ 77,172,709	\$ 845,067
2015-2016	931,087	-	594,469	336,618
2014-2015	362,511	-	182,820	179,691
2013-2014	285,003	-	90,753	194,250
2012-2013	210,456	-	47,240	163,216
2011-2012	147,872	-	21,150	126,722
2010-2011	134,184	-	9,314	124,870
2009-2010	136,581	-	6,090	130,491
2008-2009	156,501	-	5,410	151,091
2007-2008	107,891	-	2,680	105,211
2006-2007	100,710	-	100,710	-
Total	<u>\$ 2,572,796</u>	<u>\$ 78,017,776</u>	<u>\$ 78,233,345</u>	2,357,227
Less: Allowance for uncollectible accounts - General Fund				<u>(705,021)</u>
Ad valorem taxes receivable, net - General Fund				<u>\$ 1,652,206</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 77,536,930
Reconciling items:				
Releases and adjustments				595,705
Amount written off per Statute of Limitations				<u>100,710</u>
Total collections and credits				<u>\$ 78,233,345</u>

ALAMANCE COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY
FOR THE YEAR ENDED JUNE 30, 2017

	County-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 13,404,483,793	\$ 0.58	\$ 77,746,006	\$ 70,092,320	\$ 7,653,686
Penalties	8,005,517		46,432	46,432	-
Total original levy	<u>13,412,489,310</u>		<u>77,792,438</u>	<u>70,138,752</u>	<u>7,653,686</u>
Discoveries:					
Current year taxes	96,255,862	0.58	558,284	555,108	3,176
Penalties	-		111,802	111,802	-
Total discoveries	<u>96,255,862</u>		<u>670,086</u>	<u>666,910</u>	<u>3,176</u>
Abatements	<u>(76,680,690)</u>	0.58	<u>(444,748)</u>	<u>(444,088)</u>	<u>(660)</u>
Total property valuation	<u>\$ 13,432,064,483</u>				
Net Levy			78,017,776	70,361,574	7,656,202
Uncollected taxes at June 30, 2017			<u>845,067</u>	<u>844,443</u>	<u>624</u>
Current Year's Taxes Collected			<u>\$ 77,172,709</u>	<u>\$ 69,517,131</u>	<u>\$ 7,655,578</u>
Current Levy Collection Percentage			<u>98.92%</u>	<u>98.80%</u>	<u>99.99%</u>

ALAMANCE COUNTY, NORTH CAROLINA

**ANALYSIS OF CURRENT YEAR LEVY
FOR THE YEAR ENDED JUNE 30, 2017**

Secondary Market Disclosures:

Assessed valuation:

Assessment ratio (1)	<u>100.00%</u>
Real property	\$ 10,549,579,029
Personal property	2,566,916,435
Public service companies (2)	<u>315,569,019</u>
Total assessed valuation	<u>\$ 13,432,064,483</u>
Tax rate per \$100	<u>\$ 0.58</u>
Levy (includes discoveries, releases, and abatements) (3)	<u>\$ 78,017,776</u>

In addition to the County-wide, this amount represents the levies by the County on behalf of fire protection districts for the fiscal year ended June 30:

Fire Protection Districts	<u>\$ 4,436,086,135</u>
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- (1) Percentage of appraised value has been established by statute.
- (2) Valuation of railroads, telephone companies, and other utilities as determined by the North Carolina Property Tax Commission
- (3) The levy includes late listing penalties.

Alamance County, North Carolina
Financial Statements and Schedules

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STATISTICAL SECTION (UNAUDITED)

This part of the County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	122
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property taxes.	126
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	135
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	138
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	140

Alamance County, North Carolina
Financial Statements and Schedules

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ALAMANCE COUNTY, NORTH CAROLINA

Net Position by Component
Last Ten Fiscal Years

Table 1

	Fiscal Year Ended June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities:										
Net investment in capital assets										
Restricted	\$ 55,191,002	\$ 55,056,788	\$ 52,121,982	\$ 49,282,255	\$ 49,370,854	\$ 46,438,987	\$ 41,915,038	\$ 42,936,097	\$ 45,627,654	\$ 44,518,107
Unrestricted	15,799,919	14,915,071	12,914,369	10,266,047	9,544,524	12,585,862	6,422,378	6,174,216	6,765,314	7,776,693
	(60,583,658)	(42,806,702)	(48,196,605)	(47,588,418)	(51,870,031)	(54,852,917)	(41,339,189)	(28,046,387)	(33,568,454)	(34,556,646)
Total governmental activities net position	\$ 10,407,263	\$ 27,165,157	\$ 16,671,741	\$ 11,959,884	\$ 7,045,347	\$ 4,171,932	\$ 6,998,227	\$ 21,063,926	\$ 18,824,514	\$ 17,738,154
Business-type activities										
Net investment in capital assets										
Restricted	\$ 13,790,606	\$ 13,063,349	\$ 13,523,183	\$ 13,348,938	\$ 13,081,014	\$ 13,339,920	\$ 13,044,534	\$ 13,413,380	\$ 13,689,738	\$ 13,101,255
Unrestricted	8,651,259	8,844,023	7,928,221	7,292,012	7,011,792	5,576,444	-	314,014	313,701	312,844
	22,441,865	21,907,372	21,451,404	20,640,950	20,092,806	18,916,364	18,733,467	4,847,249	4,342,635	3,865,929
Total business-type activities net position	\$ 22,441,865	\$ 21,907,372	\$ 21,451,404	\$ 20,640,950	\$ 20,092,806	\$ 18,916,364	\$ 18,733,467	\$ 18,574,643	\$ 18,346,074	\$ 17,280,028
Primary government										
Net investment in capital assets										
Restricted	\$ 68,981,608	\$ 68,120,137	\$ 65,645,165	\$ 62,631,193	\$ 62,451,868	\$ 59,778,907	\$ 54,959,572	\$ 56,349,477	\$ 59,317,392	\$ 57,619,362
Unrestricted	15,799,919	14,915,071	12,914,369	10,266,047	9,544,524	18,162,306	6,422,378	6,488,230	7,079,015	8,089,537
	(51,932,399)	(33,962,679)	(40,268,384)	(40,296,406)	(44,858,239)	(54,852,917)	(35,650,256)	(23,199,138)	(29,225,819)	(30,690,717)
Total primary government net position	\$ 32,849,128	\$ 49,072,529	\$ 38,291,150	\$ 32,600,834	\$ 27,138,153	\$ 23,088,296	\$ 25,731,694	\$ 39,638,569	\$ 37,170,588	\$ 35,018,182

ALAMANCE COUNTY, NORTH CAROLINA

**Changes in Net Position
Last Ten Fiscal Years
(amount in Thousands)**

Table 2

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
REVENUES										
Function/Programs:										
Charges for services:										
Public safety	\$ 7,766	\$ 8,113	\$ 4,345	\$ 8,069	\$ 9,294	\$ 8,012	\$ 8,252	\$ 7,863	\$ 6,629	\$ 6,996
Human services	3,125	2,321	3,198	1,769	2,600	3,067	5,616	5,542	5,596	4,380
Other	2,646	2,379	5,914	2,199	2,468	2,151	2,353	1,760	1,623	2,223
Subtotal	13,537	12,813	13,456	12,037	14,362	13,230	16,221	15,165	13,848	13,599
Operating grants and contributions	25,260	26,790	25,917	23,587	23,516	24,767	22,637	25,896	24,421	23,249
Capital grants and contributions	1,497	595	683	2,696	2,772	6,702	2,777	1,785	2,060	1,631
General revenues:										
Taxes:										
Property taxes, levied for general purpose	82,312	81,155	72,673	74,289	69,298	67,366	66,146	67,177	66,813	64,602
Local option sales tax	28,159	27,608	25,080	22,204	20,665	20,226	18,720	16,658	22,776	27,477
Other taxes and licenses	1,663	1,512	1,346	1,177	1,020	949	900	1,242	1,392	1,924
Grants and contributions not restricted to specific programs	-	-	-	-	-	-	-	-	-	-
Investment earnings	603	430	366	302	485	525	407	47	241	949
Miscellaneous, unrestricted	-	-	-	-	25	25	25	65	282	280
Special items	-	-	2,374	-	-	-	-	-	-	-
Subtotal	153,031	150,902	141,897	136,292	132,143	133,790	127,833	128,035	131,833	133,711
Landfill:										
Charges for services	4,475	4,122	4,187	4,259	3,713	3,599	3,543	3,531	3,287	3,280
Operating grants and contributions	-	-	10	40	4	2	-	-	138	55
Investment earnings	21	11	1	-	-	2	15	19	129	387
Miscellaneous, unrestricted	-	-	-	-	-	-	-	172	445	398
Subtotal	4,497	4,133	4,198	4,299	3,717	3,603	3,558	3,722	3,999	4,120
Total revenues	157,527	155,036	146,094	140,591	135,860	137,393	131,391	131,757	135,832	137,831
EXPENSES										
General government	19,621	14,780	14,208	13,744	12,644	14,519	13,475	10,946	11,764	10,355
Public Safety	41,567	39,034	36,135	36,976	35,211	35,159	35,567	33,617	34,194	30,194
Economic and physical development	2,843	2,903	1,605	1,815	1,758	1,792	2,116	1,297	1,697	1,403
Human services	36,697	34,768	36,704	33,935	33,432	33,790	33,229	33,615	34,698	35,899
Cultural and recreational	4,667	3,710	3,786	4,338	3,624	3,926	4,327	3,677	3,588	3,753
Education	57,786	41,598	37,497	36,346	34,963	42,430	45,992	38,763	40,787	44,977
Interest on long-term debt	3,175	2,297	2,550	2,972	6,478	3,655	3,659	3,415	3,611	4,173
Other expenses	1,651	1,486	841	1,252	1,158	1,347	1,376	465	457	497
Subtotal	167,806	140,577	133,328	131,378	129,268	136,618	139,741	125,795	130,796	131,251
Landfill:										
Charges for services	3,962	3,677	3,288	3,751	2,542	3,419	3,399	3,494	2,933	2,276
Total expenses	171,769	144,254	136,616	135,129	131,810	140,037	143,140	129,289	133,729	133,527
Change in net position	(14,241)	10,781	9,478	5,462	(2,644)	(2,644)	(11,749)	2,468	2,103	4,304
Net position-beginning, as restated	47,090	38,290	28,812	27,138	23,088	25,732	37,480	37,171	35,068	30,714
Net position-ending	\$ 32,849	\$ 49,072	\$ 38,290	\$ 32,600	\$ 27,138	\$ 23,088	\$ 25,731	\$ 39,639	\$ 37,171	\$ 35,018

ALAMANCE COUNTY, NORTH CAROLINA

**Fund Balances, Governmental Funds
Last Ten Fiscal Years**

Table 3

	Fiscal Year Ended June 30									
	2017	2016	2015	2014	2013	2012	2011 ^e	2010	2009	2008
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,634,322	\$ 9,381,210	\$ 11,710,491
Unreserved	-	-	-	-	-	-	-	15,942,207	18,142,118	18,922,786
Nonspendable	-	-	-	-	-	172,530	-	-	-	-
Restricted ^a	14,183,438	13,618,467	11,642,230	9,413,377	8,621,118	11,742,712	5,317,002	-	-	-
Committed ^b	7,467,331	1,488,962	535,212	480,619	322,619	202,619	-	-	-	-
Unassigned	26,350,853	31,207,283	26,289,738	21,526,972	17,398,129	9,559,112	13,793,848	-	-	-
Total general fund	<u>48,001,622</u>	<u>46,314,712</u>	<u>38,467,180</u>	<u>31,420,968</u>	<u>26,341,866</u>	<u>21,676,973</u>	<u>19,110,850</u>	<u>23,576,529</u>	<u>27,523,328</u>	<u>30,633,277</u>
All Other Governmental Funds										
Reserved	-	-	-	-	-	-	-	68,965	99,216	101,870
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	508,679	131,241	897,871
Capital project funds	-	-	-	-	-	-	-	9,881,154	6,725,216	6,935,964
Restricted in Capital Project	1,110,811	1,339,423	1,314,958	895,489	1,046,434	2,045,675	6,669,885	-	-	-
Committed in Capital Project	3,972,137	902,568	2,378,780	2,866,187	3,116,917	2,972,320	3,123,354	-	-	-
Unassigned in Capital Project	-	(51,542)	(213,352)	(58,886)	(190,334)	(200,869)	(24,455)	-	-	-
Total all other government funds ^c	<u>5,082,948</u>	<u>2,190,449</u>	<u>3,480,386</u>	<u>3,702,790</u>	<u>3,973,017</u>	<u>4,817,126</u>	<u>9,768,784</u>	<u>10,458,798</u>	<u>6,955,673</u>	<u>7,935,705</u>
Total fund balances, governmental funds ^d	<u>\$ 53,084,570</u>	<u>\$ 48,505,161</u>	<u>\$ 41,947,566</u>	<u>\$ 35,123,758</u>	<u>\$ 30,314,883</u>	<u>\$ 26,494,099</u>	<u>\$ 28,879,634</u>	<u>\$ 34,035,327</u>	<u>\$ 34,479,001</u>	<u>\$ 38,568,982</u>
Total all other government funds										

^a The amounts in this row primarily reflect stabilization by State statute.

^b The Board of Commissioners have committed funds for Economic Development and Revaluation.

^c The decrease is due to the completion and progress of various projects in progress.

^d The increase in fund balance is due to increased revenues collected in FY 2016. Increases are intended for future capital needs of the County.

^e The County implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011.

ALAMANCE COUNTY, NORTH CAROLINA

**Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years**

	Fiscal Year Ended June 30										Table 4
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	
Revenues											
Property taxes	\$ 82,647,767	\$ 81,404,277	\$ 72,980,087	\$ 74,684,864	\$ 68,900,545	\$ 67,372,021	\$ 66,865,439	\$ 67,503,880	\$ 66,005,309	\$ 64,483,325	
Sales taxes	28,159,495	27,608,429	25,080,073	22,203,551	20,665,419	20,226,309	18,720,105	16,657,521	22,775,557	27,476,577	
Other taxes and licenses	1,662,790	1,511,829	1,345,902	1,178,223	1,019,568	948,664	900,150	951,964	919,807	1,432,330	
Unrestricted intergovernmental	270,038	258,829	277,018	253,863	233,472	252,116	240,992	78,741	244,604	247,751	
Restricted intergovernmental	26,757,106	27,384,337	26,432,588	25,744,940	25,749,474	29,080,408	24,775,193	26,900,059	25,749,397	22,981,577	
Permits and fees	1,671,605	1,376,273	1,265,919	1,168,353	1,206,080	1,005,656	1,154,369	997,942	901,010	1,385,950	
Sales and services	10,900,358	10,535,924	11,270,029	10,634,229	12,617,948	12,199,323	14,720,391	13,224,156	13,689,379	11,710,584	
Investment earnings	588,334	422,198	362,419	299,144	482,991	521,302	384,203	73,260	384,227	1,597,120	
Miscellaneous	482,720	454,708	477,661	353,176	505,727	2,026,872	609,518	925,362	825,343	1,434,271	
Total revenues	<u>153,140,213</u>	<u>150,956,804</u>	<u>139,491,676</u>	<u>136,520,343</u>	<u>131,381,224</u>	<u>133,632,671</u>	<u>128,370,360</u>	<u>127,312,885</u>	<u>131,494,633</u>	<u>132,749,485</u>	
Expenditures											
Current											
General government	14,955,996	12,858,542	11,186,966	10,890,343	10,118,033	10,791,109	14,724,143	11,227,165	11,407,839	11,880,730	
Public Safety	37,210,376	34,343,899	33,454,975	33,355,607	31,696,950	33,952,059	32,592,726	33,340,099	34,374,297	31,010,741	
Transportation	464,448	382,450	395,263	266,588	(43,211)	402,868	425,755	407,971	397,369	410,587	
Environmental protection	71,147	102,011	110,590	(64,814)	(414,878)	61,497	55,086	56,204	58,983	84,821	
Economic and physical development	2,053,324	1,976,579	1,406,175	1,257,726	920,883	1,321,691	1,641,723	1,636,530	1,673,011	1,415,778	
Human services	35,560,462	35,290,075	35,971,584	32,831,016	32,107,883	32,853,606	32,319,100	33,347,288	34,756,916	36,238,804	
Cultural and recreational	4,324,318	3,577,875	3,632,600	4,257,876	3,387,904	3,899,960	4,476,382	3,933,773	4,049,983	4,006,226	
Intergovernmental (education)	57,506,617	41,490,420	37,413,626	36,083,320	34,558,991	38,785,016	38,162,037	37,806,040	37,076,480	34,107,514	
Expenditures before Capital Outlay and Debt Service	152,146,687	130,021,851	123,571,779	118,877,662	112,332,557	122,067,806	124,396,952	121,755,070	123,794,878	119,155,201	
Capital outlay	3,886,430	4,279,086	1,941,103	1,677,769	4,803,036	3,424,791	7,605,633	5,410,607	8,097,505	10,869,659	
Debt service:											
Principal	7,708,731	8,338,144	9,112,718	8,746,977	8,628,892	7,973,727	7,777,175	6,813,657	6,112,057	5,838,999	
Interest and other charges	2,273,758	2,297,134	2,550,352	2,972,278	7,412,519	3,655,325	3,659,128	3,468,926	3,765,592	4,277,181	
Issuance costs	77,796	6,597	3,653	-	329,582	1,798	127,978	22,964	-	-	
Total expenditures	<u>166,093,402</u>	<u>144,942,812</u>	<u>137,179,605</u>	<u>132,274,686</u>	<u>133,506,586</u>	<u>137,123,447</u>	<u>143,586,866</u>	<u>137,471,224</u>	<u>141,770,032</u>	<u>140,141,040</u>	
Revenues over (under) expenditures	(12,953,189)	6,013,992	2,312,071	4,245,657	(2,125,362)	(3,490,776)	(15,196,506)	(10,158,339)	(10,275,399)	(7,391,555)	
Other financing sources (uses)	17,532,598	543,603	440,762	563,218	5,946,146	1,105,241	10,040,813	9,714,664	6,136,218	110,800	
Special items	-	-	3,902,970	-	-	-	-	-	-	-	
Increase (decrease) in fund balance	4,579,409	6,557,595	6,823,808	4,808,875	3,820,784	(2,385,535)	(5,155,693)	(443,674)	(4,139,181)	(7,280,755)	
Beginning fund balance-as restated	48,505,161	41,947,566	35,123,758	30,314,883	26,494,099	28,879,634	34,035,327	34,479,001	38,618,182	45,849,737	
Ending fund balance	<u>\$ 53,084,570</u>	<u>\$ 48,505,161</u>	<u>\$ 41,947,566</u>	<u>\$ 35,123,758</u>	<u>\$ 30,314,883</u>	<u>\$ 26,494,099</u>	<u>\$ 28,879,634</u>	<u>\$ 34,035,327</u>	<u>\$ 34,479,001</u>	<u>\$ 38,568,982</u>	
Debt service expenditures / non-capital expenditures ratio											
Total Debt service expenditures	10,060,285	10,641,875	11,666,723	11,719,255	16,370,993	11,630,850	11,564,281	10,305,547	9,877,649	10,116,180	
Divided by Expenditures excluding capital outlay	162,206,972	140,663,726	135,238,502	130,596,917	128,703,550	133,698,656	135,961,233	132,060,617	133,672,527	129,271,381	
	6.20%	7.57%	8.63%	8.97%	12.72%	8.70%	8.51%	7.80%	7.39%	7.83%	

ALAMANCE COUNTY, NORTH CAROLINA

Program Revenues by Function/Program
Last Ten Fiscal Years

Table 5

Function/Program	Program Revenues									
	Fiscal Year Ended June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities:										
General government	\$ 2,529,896	\$ 2,096,761	\$ 5,631,312	\$ 1,328,880	\$ 1,598,325	\$ 1,417,480	\$ 1,618,964	\$ 1,031,103	\$ 916,305	\$ 1,247,077
Public safety	7,766,320	8,112,597	4,345,322	8,069,192	9,293,779	8,011,526	8,252,339	7,862,739	6,628,568	6,995,888
Transportation	-	-	-	-	-	-	-	-	-	1,050
Economic and physical development	32,283	818	818	-	-	-	-	-	-	-
Environmental protection	-	-	-	236,956	236,956	201,365	201,365	183,395	164,495	437,515
Human services	3,124,768	2,321,403	3,197,524	1,769,419	2,599,851	3,067,300	5,616,314	5,542,325	5,595,702	4,379,508
Cultural and recreational	83,837	281,442	281,442	632,596	632,596	532,636	532,636	545,080	542,612	537,577
Subtotal government activities	13,537,104	12,813,021	13,456,418	12,037,043	14,361,507	13,230,307	16,221,618	15,164,642	13,847,682	13,598,615
Business-type activities										
Landfill	4,475,466	4,122,341	4,186,567	4,258,692	3,712,573	3,598,966	3,542,594	3,531,411	3,286,645	3,279,974
Subtotal business-type activities	4,475,466	4,122,341	4,186,567	4,258,692	3,712,573	3,598,966	3,542,594	3,531,411	3,286,645	3,279,974
Total primary government	\$ 18,012,570	\$ 16,935,362	\$ 17,642,985	\$ 16,295,735	\$ 18,074,080	\$ 16,829,273	\$ 19,764,212	\$ 18,696,053	\$ 17,134,327	\$ 16,878,589

ALAMANCE COUNTY, NORTH CAROLINA

**Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years**

Table 6

Fiscal Year Ended June 30	Property	Sales & Use	Occupancy	Emergency Telephone^a	Real Estate Transfer	Other	Total
2017	\$ 82,647,767	\$ 28,159,495	\$ 869,628	\$ -	\$ 697,066	\$ 96,096	\$ 112,470,052
2016	81,375,058	27,608,429	777,544	-	639,085	95,200	110,495,316
2015	72,997,613	25,080,073	690,232	-	567,820	87,850	99,423,588
2014	74,684,864	22,203,551	637,507	-	455,831	84,885	98,066,638
2013	68,900,545	20,665,419	585,145	-	360,872	73,551	90,585,532
2012	67,372,021	20,226,309	567,183	-	314,414	67,067	88,546,994
2011	66,868,894	18,720,105	535,288	-	303,200	61,662	86,489,149
2010	67,503,880	16,657,521	498,488	-	400,013	53,463	85,113,365
2009	66,005,309	22,775,557	523,692	2,949	336,088	57,078	89,700,673
2008	64,483,325	27,476,577	617,406	196,641	563,097	55,186	93,392,232

^a Emergency Telephone tax began in 2002. State implemented tax in 2010.

ALAMANCE COUNTY, NORTH CAROLINA
Government-wide Expenses By Function
Last Ten Fiscal Years

Table 7

Function	Fiscal Year Ended June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government	\$ 19,620,632	\$ 14,779,532	\$ 14,207,928	\$ 13,744,252	\$ 12,643,801	\$ 14,519,496	\$ 13,474,940	\$ 10,946,351	\$ 11,763,998	\$ 10,355,242
Public safety	41,567,111	39,033,971	36,135,453	36,975,701	35,211,427	35,159,335	35,566,586	33,616,740	34,194,067	30,194,461
Transportation	1,022,227	802,261	562,629	791,878	765,536	843,824	873,491	407,971	397,369	410,587
Environmental protection	628,926	684,094	1,605,380	1,815,147	393,867	1,791,574	502,822	56,204	58,983	84,821
Economic and physical development	2,643,119	2,903,127	277,956	460,476	1,758,248	502,453	2,116,442	1,296,911	1,697,341	1,403,236
Human services	36,696,574	34,768,061	36,704,216	33,934,657	33,431,752	33,790,288	33,228,854	33,614,557	34,698,043	35,898,520
Cultural and recreational	4,667,289	3,710,378	3,786,386	4,338,195	3,623,947	3,926,470	4,326,665	3,677,349	3,588,464	3,752,811
Education	57,785,506	41,598,497	37,497,309	36,345,965	34,963,364	42,430,285	45,991,536	38,763,325	40,786,993	44,977,170
Debt service:										
Interest and fees	3,174,829	2,297,134	2,550,352	2,972,278	6,477,519	3,655,325	3,659,128	3,415,131	3,611,084	4,172,523
Total governmental activities	167,806,213	140,577,055	133,327,609	131,378,549	129,269,461	136,619,050	139,740,464	125,794,539	130,796,342	131,249,371
Landfill	3,962,316	3,677,384	3,288,476	3,751,292	2,542,292	3,419,406	3,399,423	3,494,302	2,933,060	2,276,015
Total business-type activities	3,962,316	3,677,384	3,288,476	3,751,292	2,542,292	3,419,406	3,399,423	3,494,302	2,933,060	2,276,015
Total primary government	\$ 171,768,529	\$ 144,254,439	\$ 136,616,085	\$ 135,129,841	\$ 131,811,753	\$ 140,038,456	\$ 143,139,887	\$ 129,288,841	\$ 133,729,402	\$ 133,525,386

ALAMANCE COUNTY, NORTH CAROLINA
Government-wide Revenues
Last Ten Fiscal Years

Table 8

Function	Fiscal Year Ended June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Program Revenues										
Charges for services	\$ 18,012,570	\$ 16,935,362	\$ 17,642,985	\$ 16,295,735	\$ 18,074,080	\$ 16,829,273	\$ 19,764,212	\$ 18,696,053	\$ 17,134,327	\$ 16,878,589
Operating grants and contributions	25,259,644	26,789,735	25,917,122	23,587,403	23,516,322	24,766,558	22,637,081	25,895,644	24,559,464	23,303,489
Capital grants and contributions	1,497,462	594,602	693,694	2,736,373	2,775,590	6,704,607	2,776,724	1,784,940	2,059,872	1,631,005
General Revenues										
Taxes										
Property tax	82,311,523	81,154,704	72,673,241	74,289,117	69,297,790	67,365,987	66,145,512	67,177,058	66,813,041	64,601,642
Local option sales tax	28,159,495	27,608,429	25,080,073	22,203,551	20,665,419	20,226,309	18,720,105	16,657,521	22,775,556	27,476,578
Other taxes and licenses	1,662,790	1,511,829	1,345,902	1,178,223	1,019,568	948,664	900,150	1,242,480	1,392,318	1,924,156
Grants and contributions not restricted to specific programs	-	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	624,008	441,157	367,329	302,120	487,591	524,817	422,907	65,781	370,787	1,335,549
Miscellaneous	-	-	-	-	25,250	25,250	25,250	237,345	726,759	678,858
Special Items	-	-	2,374,090	-	-	-	-	-	-	-
Total	\$ 157,527,492	\$ 155,035,818	\$ 146,094,436	\$ 140,592,522	\$ 135,861,610	\$ 137,391,465	\$ 131,391,941	\$ 131,756,822	\$ 135,832,124	\$ 137,829,866

**General Government Expenditures by Function
Last Ten Fiscal Years**

Table 9

Function	Fiscal Year Ended June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government	\$ 16,214,422	\$ 14,270,640	\$ 11,827,530	\$ 11,561,451	\$ 12,039,247	\$ 10,791,109	\$ 14,724,143	\$ 11,227,165	\$ 11,407,839	\$ 11,880,730
Public safety	39,414,370	35,798,788	34,114,950	33,523,384	32,177,254	33,952,059	32,592,726	33,340,099	34,374,297	31,010,741
Transportation	464,448	382,450	395,263	434,365	437,093	402,868	425,755	407,971	397,369	410,587
Environmental protection	71,147	102,011	110,590	102,963	65,426	61,497	55,086	56,204	58,983	84,821
Economic and physical development	2,148,930	1,976,579	1,406,175	1,425,503	1,401,187	1,321,691	1,641,723	1,636,530	1,673,011	1,415,778
Human services	35,667,727	35,717,984	36,165,694	32,998,793	32,588,187	32,853,606	32,319,100	33,347,288	34,756,916	36,238,804
Cultural and recreational	4,545,456	4,562,065	4,079,054	4,341,764	3,628,056	3,899,960	4,476,382	3,933,773	4,049,983	4,006,226
Education	57,506,617	41,490,420	37,413,626	36,167,208	34,799,143	42,209,807	45,767,670	38,763,325	37,076,480	34,107,514
Debt service:										
Principal retirement	7,708,731	8,338,144	9,112,718	8,746,977	8,628,892	7,973,727	7,777,175	6,813,657	6,112,057	5,838,999
Interest and fees	2,273,758	2,297,134	2,550,352	2,972,278	7,412,519	3,655,325	3,659,128	3,468,926	3,770,370	4,277,181
Issuance costs	77,796	6,597	3,653	-	329,582	1,798	127,978	22,964	-	-
Total	\$ 166,093,402	\$ 144,942,812	\$ 137,179,605	\$ 132,274,686	\$ 133,506,586	\$ 137,123,447	\$ 143,566,866	\$ 133,017,902	\$ 133,677,305	\$ 129,271,381

**ALAMANCE COUNTY, NORTH CAROLINA
General Government Revenues by Source
Last Ten Fiscal Years**

Table 10

Source	Fiscal Year Ended June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Taxes:										
Property	\$ 82,647,767	\$ 81,404,277	\$ 72,980,087	\$ 74,684,864	\$ 68,900,545	\$ 67,372,021	\$ 66,865,439	\$ 67,503,880	\$ 66,005,309	\$ 64,483,325
Sales	28,159,495	27,608,429	25,080,073	22,203,551	20,665,419	20,226,309	18,720,105	16,657,521	22,775,557	27,476,577
Other Taxes & Licenses	1,662,790	1,511,829	1,345,902	1,178,223	1,019,568	948,664	900,150	951,964	919,807	1,432,330
Total taxes	112,470,052	110,524,535	99,406,062	98,066,638	90,585,532	88,546,994	86,485,694	85,113,365	89,700,673	93,392,232
Intergovernmental	27,027,144	27,643,166	26,709,586	25,998,803	25,982,946	29,332,524	25,016,185	26,978,800	25,994,001	23,229,328
Permits and fees	1,671,605	1,376,273	1,265,919	1,168,353	1,206,080	1,005,656	1,154,369	997,942	901,010	1,385,950
Sales and services	10,900,358	10,535,924	11,270,029	10,634,229	12,617,948	12,199,323	14,720,391	13,224,156	13,689,379	11,710,584
Investment earnings	588,334	422,198	362,419	299,144	482,991	521,302	384,203	73,260	384,227	1,597,120
Miscellaneous	482,720	454,708	477,661	353,176	505,727	2,026,872	609,518	925,362	825,343	1,434,271
Total	\$ 153,140,213	\$ 150,956,804	\$ 139,491,676	\$ 136,520,343	\$ 131,381,224	\$ 133,632,671	\$ 128,370,360	\$ 127,312,885	\$ 131,494,633	\$ 132,749,485
Revenues	153,140,213									
Expenditures	166,093,402									
Other Financing Sources	(12,953,189)									
Change in Fund Balances	17,532,598									
	4,579,409									

ALAMANCE COUNTY, NORTH CAROLINA

Assessed and Estimated Actual Value of Taxable Property Last Ten Fiscal Years

(dollars in thousands)

Fiscal Year Ended June 30	Assessed Value					Total Taxable		Ratio of Assessed Value to Estimated Actual Value		Total Direct Tax Rate
	Real Property	Personal Property	Public Service Companies	Less: Abatements	Assessed Value	Estimated Actual Value	Estimated Actual Value	Assessed Value to Estimated Actual Value		
2017	10,626,260	\$ 2,566,916	\$ 315,569	\$ 76,681	\$ 13,432,064	\$ 13,477,889	99.7%	\$	0.5800	
2016	10,039,630	2,742,524	281,563	54,006	13,009,711	12,868,161	101.1%		0.5800	
2015	10,176,788	2,363,810	276,227	30,767	12,786,058	12,016,971	106.4%		0.5300	
2014	10,106,947	2,597,277	264,477	46,234	12,922,467	12,054,540	107.2%		0.5400	
2013	10,046,849	2,176,338	305,820	56,781	12,472,226	11,586,981	107.6%		0.5200	
2012	9,993,751	1,997,173	254,990	68,119	12,177,795	11,276,780	108.0%		0.5200	
2011	9,945,448	1,946,452	260,006	43,910	12,107,996	11,747,352	103.1%		0.5200	
2010	10,650,203	2,019,524	267,795	722,808	12,214,714	12,191,335	100.2%		0.5200	
2009	8,627,921	2,073,735	237,552	163,973	10,775,235	10,809,885	99.7%		0.5800	
2008	8,177,942	2,131,762	264,996	23,622	10,551,078	11,773,069	89.6%		0.5800	

Table 11

Source: Alamance County Tax Department

Note: Assessed valuations are established by the Board of County Commissioners at 100 percent of estimated market value. A revaluation of real property is required by the North Carolina General Statutes at least every eight years. The last revaluation became effective January 1, 2017. Tax rates are per \$100 of assessed value.

ALAMANCE COUNTY, NORTH CAROLINA

**Principal Property Taxpayers - Not complete until Tax Levy confirmed
Last Ten Fiscal Years**

Table 12

Fiscal Year Ended June 30																
Taxpayer	2017			2016			2015			2014			2013			
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	
Laboratory Corp. of America	\$ 186,562,287	1	1.43%	\$ 178,040,337	1	1.37%	\$ 176,854,682	1	1.43%	\$ 177,916,847	1	1.44%	\$ 166,874,784	1	1.37%	
Duke Energy Corp.	171,596,813	2	1.32%	158,969,764	2	1.22%	151,126,015	2	1.22%	142,000,754	2	1.15%	131,969,185	2	1.08%	
Honda Power Equipment	114,094,956	3	0.88%	97,514,033	4	0.75%	85,869,990	4	0.70%	82,370,318	4	0.67%	66,653,621	6	0.55%	
GKN Automotive	112,154,922	4	0.86%	112,154,922	3	0.86%	101,338,395	3	0.82%	96,575,942	3	0.78%	101,642,958	3	0.83%	
WalMart (all)	79,187,746	5	0.61%	39,665,601	9	0.30%	34,009,205	10	0.28%	33,855,210	10	0.27%	-	-	0.00%	
Lidl	73,884,528	6	0.57%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	
Alamance Crossing	63,550,246	7	0.49%	67,546,431	5	0.52%	67,767,485	6	0.55%	68,233,529	6	0.55%	68,106,085	5	0.56%	
Liggett Group LLC	58,521,574	8	0.45%	66,471,758	6	0.51%	58,453,566	7	0.47%	58,243,863	7	0.47%	53,148,075	7	0.44%	
Buckner C P Steele	50,326,105	9	0.39%	62,782,177	7	0.48%	72,288,904	5	0.59%	73,072,867	5	0.59%	78,254,865	4	0.64%	
Tanger Outlet Center	42,389,129	10	0.33%	36,909,963	10	0.28%	36,994,215	9	0.30%	37,196,862	9	0.30%	37,270,944	9	0.31%	
Sandvik	-	-	0.00%	43,431,686	8	0.33%	49,370,927	8	0.40%	52,110,138	8	0.42%	49,927,286	8	0.41%	
BellSouth	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	
Piedmont Natural Gas Co. Inc.	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	
Burlington Mall LLC	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	
Glen Raven Mills	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	
	\$ 952,268,306		7.09%	\$ 863,486,672		6.64%	\$ 834,073,384		6.75%	\$ 821,576,330		6.65%	\$ 789,206,414		6.47%	

Taxpayer	2012			2011			2010			2009			2008		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Laboratory Corp. of America	\$ 102,601,369	2	0.84%	\$ 187,172,134	1	1.55%	\$ 187,172,134	1	1.72%	\$ 114,738,552	1	1.05%	\$ 105,891,444	2	0.98%
Duke Energy Corp.	125,384,481	1	1.03%	125,227,605	2	1.03%	128,618,796	2	1.15%	110,939,039	2	1.01%	120,905,916	1	1.11%
Honda Power Equipment	81,093,469	4	0.67%	55,839,674	4	0.46%	64,197,128	4	0.51%	64,900,948	4	0.59%	65,487,225	4	0.60%
GKN Automotive	97,538,356	3	0.80%	90,973,558	3	0.75%	99,658,127	3	0.73%	104,875,597	3	0.96%	92,454,208	3	0.85%
WalMart Real Estate Business	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	22,503,515	10	0.21%
Lidl	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%
Alamance Crossing	57,096,385	6	0.47%	54,545,213	5	0.45%	51,357,708	5	0.50%	34,476,802	7	0.31%	-	-	0.00%
Liggett Group LLC	52,975,001	7	0.43%	43,428,159	8	0.36%	44,663,253	8	0.40%	45,098,095	5	0.41%	43,434,078	6	0.40%
Buckner C P Steele	59,602,023	5	0.49%	48,652,966	6	0.40%	67,992,462	6	0.45%	-	-	0.00%	-	-	0.00%
Tanger Outlet Center	36,039,238	10	0.30%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%
Sandvik	44,827,158	8	0.37%	47,543,722	7	0.39%	42,681,804	7	0.44%	-	-	0.00%	-	-	0.00%
BellSouth	36,126,430	9	0.30%	40,493,284	9	0.33%	43,877,228	9	0.37%	39,944,026	6	0.36%	46,093,059	5	0.42%
Piedmont Natural Gas Co. Inc.	-	-	0.00%	32,499,532	10	0.27%	31,279,735	10	0.30%	27,634,566	9	0.25%	30,932,949	8	0.28%
Burlington Mall LLC	-	-	0.00%	-	-	0.00%	-	-	0.00%	27,921,187	8	0.25%	33,010,312	7	0.30%
Glen Raven Mills	-	-	0.00%	-	-	0.00%	-	-	0.00%	26,368,905	10	0.24%	27,107,430	9	0.25%
	\$ 693,283,910		5.69%	\$ 726,375,847		6.00%	\$ 761,496,375		6.09%	\$ 596,897,717		5.44%	\$ 587,820,136		5.42%

Source: Alamance County Tax Department

ALAMANCE COUNTY, NORTH CAROLINA

Property Tax Levies and Collections Last Ten Fiscal Years

Table 13

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	County-wide Levies Collected within the Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections to Date	
		Amount Collected	Percentage of Levy	Amount Collected	Percentage of Levy	Amount Collected	Percentage of Levy
2017	\$ 77,792,438	\$ 77,172,709	98.9%	\$ -		\$ 77,172,709	99.2%
2016	75,396,661	74,553,132	98.8%	594,469		75,147,601	99.7%
2015	67,507,762	66,796,202	98.5%	740,843		67,537,045	100.0%
2014	67,303,872	68,259,956	101.4%	-		68,259,956	100.0%
2013	63,031,367	63,040,855	100.0%	-		63,040,855	100.0%
2012	62,007,230	61,580,609	99.3%	426,621		62,007,230	100.0%
2011	61,822,468	61,408,792	99.3%	413,676		61,822,468	100.0%
2010	63,081,835	61,863,460	98.1%	1,218,375		63,081,835	100.0%
2009	63,439,042	61,050,563	96.2%	2,244,042		63,294,605	99.8%
2008	61,198,987	59,202,640	96.7%	1,885,295		61,087,935	99.8%

Source: Alamance County Tax Department

Note: This schedule includes data from only the General Fund county-wide property tax levy.

ALAMANCE COUNTY, NORTH CAROLINA

Direct and Overlapping Governments Property Tax Rates (Per \$100.00 of Assessed Value) Last Ten Fiscal Years

Table 14

	Year Taxes Are Payable									
	Fiscal Year Ended June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
County Direct Rates										
Alamance County	0.5800	0.5800	0.5300	0.5400	0.5200	0.5200	0.5200	0.5200	0.5800	0.5800
City and Town Rates										
Village of Alamance	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2200	0.2400	0.2400
Total Direct and Overlapping	0.7800	0.7800	0.7300	0.7400	0.7200	0.7200	0.7200	0.7400	0.8200	0.8200
City of Burlington	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800	0.5900	0.5900	0.6250	0.6250
Total Direct and Overlapping	1.1600	1.1600	1.1100	1.1200	1.1000	1.1000	1.1100	1.1100	1.2050	1.2050
City of Burlington - Downtown	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600
Total Direct and Overlapping	0.7400	0.7400	0.6900	0.7000	0.6800	0.6800	0.6800	0.6800	0.7400	0.7400
City of Graham	0.4550	0.4450	0.4550	0.4400	0.4400	0.4400	0.4450	0.4450	0.4800	0.4800
Total Direct and Overlapping	1.0350	1.0250	0.9850	0.9800	0.9600	0.9600	0.9650	0.9650	1.0600	1.0600
Town of Elon	0.4200	0.4200	0.4200	0.4200	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700
Total Direct and Overlapping	1.0000	1.0000	0.9500	0.9600	0.8900	0.8900	0.8900	0.8900	0.9500	0.9500
Town of Gibsonville	0.5100	0.5100	0.5100	0.5100	0.5150	0.5150	0.5100	0.5100	0.5150	0.5150
Total Direct and Overlapping	1.0900	1.0900	1.0400	1.0500	1.0350	1.0350	1.0300	1.0300	1.0950	1.0950
Town of Green Level	0.3600	0.3600	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400
Total Direct and Overlapping	0.9400	0.9400	0.8700	0.8800	0.8600	0.8600	0.8600	0.8600	0.9200	0.9200
Town of Haw River	0.4800	0.4800	0.4800	0.4800	0.4500	0.4500	0.4500	0.4500	0.4800	0.4800
Total Direct and Overlapping	1.0600	1.0600	1.0100	1.0200	0.9700	0.9700	0.9700	0.9700	1.0600	1.0600
Town of Mebane	0.4900	0.4900	0.4900	0.4700	0.4700	0.4700	0.4700	0.4700	0.5000	0.5000
Total Direct and Overlapping	1.0700	1.0700	1.0200	1.0100	0.9900	0.9900	0.9900	0.9900	1.0800	1.0800
Town of Ossipee	0.0725	0.0725	0.0725	0.0725	0.0750	0.0750	0.0750	0.0750	0.0750	0.1500
Total Direct and Overlapping	0.6525	0.6525	0.6025	0.6125	0.5950	0.5950	0.5950	0.5950	0.6550	0.7300

ALAMANCE COUNTY, NORTH CAROLINA
Direct and Overlapping Governments Property Tax Rates
(Per \$100.00 of Assessed Value)
Last Ten Fiscal Years

Table 14

	Year Taxes Are Payable									
	Fiscal Year Ended June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Fire District Rates										
54 East	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.1000	0.1000
Total Direct and Overlapping	0.6700	0.6700	0.6200	0.6300	0.6100	0.6100	0.6100	0.6100	0.6800	0.6800
Altamahaw-Ossipee	0.1175	0.1175	0.1175	0.1075	0.1075	0.1075	0.1025	0.1025	0.1000	0.0950
Total Direct and Overlapping	0.6975	0.6975	0.6475	0.6475	0.6275	0.6275	0.6225	0.6225	0.6800	0.6750
E.M. Holt	0.1075	0.1075	0.1075	0.1075	0.0975	0.0975	0.0800	0.0800	0.0800	0.0500
Total Direct and Overlapping	0.6875	0.6875	0.6375	0.6475	0.6175	0.6175	0.6000	0.6000	0.6600	0.6300
East Alamance	0.1050	0.1050	0.1050	0.0850	0.0850	0.0850	0.0850	0.0850	0.0850	0.0850
Total Direct and Overlapping	0.6850	0.6850	0.6350	0.6250	0.6050	0.6050	0.6050	0.6050	0.6650	0.6650
Eli Whitney/87 South	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Total Direct and Overlapping	0.6600	0.6600	0.6100	0.6200	0.6000	0.6000	0.6000	0.6000	0.6600	0.6600
Elon	0.1100	0.1100	0.1100	0.1100	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050
Total Direct and Overlapping	0.6900	0.6900	0.6400	0.6500	0.6250	0.6250	0.6250	0.6250	0.6850	0.6850
Faucette	0.1100	0.0925	0.0925	0.0925	0.0875	0.0875	0.0875	0.0875	0.0875	0.0875
Total Direct and Overlapping	0.6900	0.6725	0.6225	0.6325	0.6075	0.6075	0.6075	0.6075	0.6675	0.6675
Haw River	0.1350	0.1350	0.1350	0.1350	0.1350	0.1350	0.1350	0.1050	0.1050	0.1050
Total Direct and Overlapping	0.7150	0.7150	0.6650	0.6750	0.6550	0.6550	0.6550	0.6250	0.6850	0.6850
North Central Alamance	0.1150	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050
Total Direct and Overlapping	0.6950	0.6850	0.6350	0.6450	0.6250	0.6250	0.6250	0.6250	0.6850	0.6850
North Eastern Alamance	0.1000	0.0800	0.0800	0.0800	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Total Direct and Overlapping	0.6800	0.6600	0.6100	0.6200	0.5900	0.5900	0.5900	0.5900	0.6500	0.6500
Snow Camp	0.0950	0.0950	0.0950	0.0950	0.0850	0.0850	0.0850	0.0850	0.8500	0.0850
Total Direct and Overlapping	0.6750	0.6750	0.6250	0.6350	0.6050	0.6050	0.6050	0.6050	1.4300	0.6650
Sweepsonville	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.1000	0.1000
Total Direct and Overlapping	0.6700	0.6700	0.6200	0.6300	0.6100	0.6100	0.6100	0.6100	0.6800	0.6800

Source: Alamance County Tax Department

Note: (1) Property was revalued January 1, 2017, and January 1, 2009 affecting the fiscal 2010 tax rate (see Table 11 note).

ALAMANCE COUNTY, NORTH CAROLINA

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Table 15

Fiscal Year Ended June 30	General Fund Activities					Business-Type Activities				
	General Obligation Bonded Debt	Revolving and Installment		Capital Leases	Percentage of Actual Property Value ^a	Per Capita ^b	Landfill Bonds	Total ^c	Percentage of Personal Income	Per Capita ^b
		Loan Debt								
2017	\$ 53,426,960	\$ 9,422,069	\$ 1,688,251	0.48%	\$ 399.70	\$ -	64,537,280		1.05%	399.70
2016	42,320,707	12,039,673	964,542	0.43%	351.22	-	55,324,922		0.98%	351.22
2015	47,017,077	15,492,582	1,111,144	0.50%	408.38	-	63,620,803		1.18%	408.38
2014	52,238,447	19,057,750	1,497,962	0.59%	473.79	-	72,794,159		1.40%	473.79
2013	56,869,567	22,622,571	1,961,899	0.67%	532.28	-	81,454,037		1.56%	532.28
2012	56,673,504	26,092,079	1,396,451	0.69%	551.77	-	84,162,034		1.62%	551.77
2011	60,988,754	27,344,933	1,263,111	0.74%	590.44	-	89,596,798		1.94%	590.44
2010	65,359,004	15,910,324	1,206,667	0.66%	556.00	-	82,475,995		1.71%	556.00
2009	69,110,000	14,208,563	1,674,730	0.77%	582.17	-	84,993,293		1.85%	582.17
2008	73,410,000	11,281,125	461,974	0.78%	594.84	-	85,153,099		1.83%	594.84

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

^a See Table 11 for taxable property value data.

^b Population and personal income data can be found in Table 18.

^c Includes general bonded debt and business-type activities debt.

ALAMANCE COUNTY, NORTH CAROLINA

**Ratio of General Obligation Bonded Debt Outstanding and Legal Debt Margin
Last Ten Fiscal Years**

	Fiscal Year Ended June 30										Table 16
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	
General bonded debt outstanding											
General obligation bonds	\$ 53,426,960	\$ 42,320,707	\$ 47,017,077	\$ 52,238,447	\$ 56,869,567	\$ 56,673,504	\$ 60,988,754	\$ 68,995,004	\$ 69,110,000	\$ 73,410,000	
Percentage of estimated actual property value ^a	0.40%	0.33%	0.37%	0.40%	0.46%	0.46%	0.50%	0.53%	0.64%	0.70%	
Per capita ^b	330.89	288.67	301.80	340.00	371.63	371.55	401.92	437.89	473.37	512.80	
Total net debt applicable to debt limit	53,426,960	42,320,707	47,017,077	52,238,447	56,869,567	82,413,079	87,954,933	86,765,327	83,298,221	92,304,573	
Legal debt limit ^c	1,074,565,159	1,040,776,855	1,022,884,604	1,033,797,353	997,778,046	975,472,955	968,639,659	977,177,155	862,018,736	828,201,911	
Legal debt margin ^d	\$ 1,021,138,199	\$ 998,456,148	\$ 975,867,527	\$ 981,558,906	\$ 940,908,479	\$ 893,059,876	\$ 880,684,726	\$ 890,411,828	\$ 778,720,515	\$ 735,897,338	
Legal debt margin as a percentage of the debt limit	95.03%	95.93%	95.40%	94.95%	94.30%	91.55%	90.92%	91.12%	90.34%	88.85%	

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

^a Property value can be found in Table 11

^b Population data can be found in Table 18

^c State statutes limit the county's outstanding general debt to no more than 8% of the total assessed value of taxable property.

^d The legal debt margin is the county's available borrowing authority under state statutes and is calculated by subtracting the net debt applicable to the legal

ALAMANCE COUNTY, NORTH CAROLINA
Computation of Direct and Overlapping Bonded Debt

June 30, 2017

Table 17

Government Unit:	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to County
City of Burlington	\$ 6,042,000	100.00%	\$ 6,042,000
City of Mebane	95,000	83.00%	78,850
Subtotal overlapping debt			6,120,850
Alamance County direct debt			64,537,280
Total direct and overlapping debt			<u>\$ 70,658,130</u>

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of Alamance County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

ALAMANCE COUNTY, NORTH CAROLINA

**Demographic and Economic Statistics
Last Ten Fiscal Years**

Table 18

Fiscal Year Ended June 30	Population^a	Personal Income	Per Capita Personal Income^b	Median Age^b	School Enrollment^c	Unemployment Rate^d
2017	161,463	\$ 6,154,969,560	\$ 38,120	39.7	22,571	4.4%
2016	157,522	5,641,020,342	35,811	39.4	22,600	4.4%
2015	155,788	5,412,075,120	34,740	39.4	22,724	5.7%
2014	153,642	5,198,169,786	33,833	39.3	22,611	6.3%
2013	153,029	5,220,278,277	34,113	39.15	21,977	9.5%
2012	152,531	5,195,663,453	34,063	38.7	22,434	10.0%
2011	151,745	4,625,187,600	30,480	37.8	22,411	10.9%
2010	148,338	4,722,043,554	31,833	37.6	22,384	11.1%
2009	145,995	4,493,580,105	30,779	37.6	22,518	12.4%
2008	143,154	4,640,336,910	32,415	36.7	22,628	6.6%

Sources:

^a N. C. State Demographics Website

^b State Data Center

^c Alamance-Burlington School System with 2009 being estimated

^d N.C. Department of Commerce, Labor & Economic Analysis Division

Principal Employers
Last Ten Fiscal Years

Fiscal Year Ended June 30

Source:
Alamance County Chamber of Commerce

**Full-time Equivalent County Employees by Function/Program
Last Ten Fiscal Years**

Table 20

Function/Program		2017 ^a	2016 ^a	2015 ^a	2014 ^a	2013 ^a	2012 ^a	2011	2010	2009	2008 ^a
General Government	County Commissioners	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
	Administration	3.00	3.00	2.50	2.50	3.00	3.00	3.00	3.00	3.00	4.00
	Planning	2.00	2.00	2.00	2.00	2.00	2.50	2.50	2.50	2.50	2.50
	Human Resources	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
	Finance	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
	Legal	3.00	3.00	3.00	3.00	3.00	5.00	5.00	5.00	5.00	5.00
	Register of Deeds	10.50	10.50	10.50	10.50	10.50	10.50	11.50	11.50	11.50	11.50
	Revaluation	1.33	1.50	0.00	0.00	0.00	0.00	0.00	0.00	5.00	3.00
	MIS	20.00	20.00	18.00	18.00	18.00	19.00	19.00	20.00	20.00	19.00
	Printing Services	1.00	1.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	0.75
	Purchasing	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Administration	28.00	28.00	27.00	27.00	27.00	30.50	30.50	26.00	26.00	29.00
	GIS/Mapping	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00
	Maintenance	12.00	12.00	12.00	12.00	12.00	14.00	14.00	13.50	13.50	13.50
	Elections	17.00	17.00	17.75	18.00	19.68	27.00	4.50	4.50	4.50	3.50
Culture & Recreation	Library	43.32	46.88	43.98	42.10	43.56	42.47	43.85	45.51	44.51	46.63
	Recreation	35.50	22.92	23.08	25.72	27.22	34.50	16.00	16.00	15.00	15.00
Economic & Physical Development	Cooperative Extension	4.00	4.75	4.75	4.50	3.97	8.00	8.00	8.00	8.00	7.50
	Soil Conservation	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
	Public Safety										
	Judicial Services		0.00	0.00	0.00	0.00	7.00	7.00	7.00	7.00	7.00
Human Services	Sheriff's Office	139.28	137.62	134.77	133.14	137.55	140.00	129.00	130.00	130.00	128.00
	School Resource Officers	8.00	8.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00
	Jail	126.99	128.56	126.90	126.90	134.83	133.50	132.00	135.50	135.50	135.00
	Emergency Management ^b	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Fire Marshal	4.00	4.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00
	SARA Management	2.00	2.00	2.00	2.00	1.50	1.50	1.50	1.50	1.50	1.50
	Inspections	9.66	10.00	10.00	10.00	12.00	13.50	11.00	12.50	12.50	12.00
	Emergency Medical Service	89.50	100.32	103.68	98.35	98.02	102.50	84.50	84.50	84.50	84.00
	Central Communications	33.00	37.65	37.95	34.93	33.61	35.00	28.00	29.00	29.00	28.00
	Health	86.50	85.00	84.63	85.33	87.83	88.38	89.00	90.50	90.50	89.50
	WIC Program	16.00	16.00	17.00	16.80	16.80	15.00	15.25	11.00	11.00	10.00
	Dental	12.00	12.00	12.00	12.00	11.50	11.30	10.80	10.75	10.00	11.00
Social Services	223.60	226.58	197.72	195.63	201.62	193.70	188.50	186.00	186.00	188.00	
Social Services-Family Assessment	0.00	0.00	0.00	0.00	2.00	2.00	2.00	3.00	3.00	0.00	
Social Services-SAMHSA	0.00	0.00	3.48	3.00	2.48	2.50	2.50	2.00	2.00	2.00	
Veteran's Services	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	2.50	
Landfill	20.50	18.50	19.00	18.00	19.00	18.00	17.50	17.50	17.50	18.00	
Total	979.68	986.78	954.69	942.15	968.42	1000.10	916.15	922.01	919.26	908.38	

Source: Alamance County Payroll Department.

Notes:

^aAs budgeted.

^bEmergency Management was separated from the Fire Marshal Department.

ALAMANCE COUNTY, NORTH CAROLINA

Operating Indicators by Function/Program Last Ten Fiscal Years

Table 21

Function/Program	Fiscal Year Ended June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Fire protection:										
Number of stations	22	22	22	21	20	20	20	20	20	20
Number of fire personnel and officers	450	466	447	425	430	450	460	450	440	440
Number of calls answered	11,383	10,479	9,736	10,094	10,048	8,899	8,736	8,280	8,256	8,217
Number of inspections conducted	1,593	972	1,303	1,488	1,443	1,178	1,512	943	1,175	1,018
Sheriff protection:										
Number of Sheriff personnel and officers	274	268	278	267	283.4	271.5	268	272.5	272.5	269
Number of sworn officers	135	121	121	125	123	126	126	123	122	120
Number of law violations:										
Major offenses	841	963	958	1,594	1,639	1,155	1,565	2,599	2,256	1,797
Civil papers served	9,071	8,750	8,748	8,933	9,242	9,897	10,528	10,625	10,557	8,434
Traffic violations	1,749	1,512	1,233	1,726	1,831	1,283	1,381	1,424	1,021	3,600
Inspections:										
Building Permits-Residential ^a		405	342	308	290	196	215	247	219	396
Building Permits-Non-Residential ^a		12	15	10	18	8	11	8	9	31

Source: Various County Departments

Note:

^a Building permits are accounted for the calendar year. Calendar 2017 information is not available.

ALAMANCE COUNTY, NORTH CAROLINA

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Table 22

Function/Program	Fiscal Year Ended June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Sheriff protection										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol cars	132	127	114	114	109	114	114	102	102	100
Parks and recreation										
Acreage	800	798	657	628	454	454	469	470	468	468
Acreage-Leased*	258	258	258	258	258	412	410	406	219	219
Baseball/Softball diamonds	-	-	-	-	1	1	1	1	1	1
Baseball/Softball diamonds-leased*	9	9	9	9	8	8	7	9	9	9
Library										
Branches	5	5	5	5	5	5	5	5	5	5
Emergency Medical Services										
Number of stations	4	4	3	3	3	3	3	3	3	3
Number of ambulances	16	13	13	13	13	13	13	15	15	18
Number of medic trucks	7	7	7	7	6	6	6	5	5	5

*Leased information added in FY2007-2008.

Source: Various County Departments

Alamance County, North Carolina
Financial Statements and Schedules

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COMPLIANCE SECTION

Alamance County, North Carolina
Financial Statements and Schedules

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

Independent Auditor's Report

To the Board of County Commissioners
Alamance County
Graham, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Alamance County, North Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Alamance County's basic financial statements, and have issued our report thereon dated November 15, 2017. Our report includes a reference to other auditors who audited the financial statements of the Transportation Authority, as described in our report on Alamance County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Alamance County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal controls that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings, Responses, and Questioned Costs as Finding 2017-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Alamance County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Alamance County's Response to Finding

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

Purpose of This Report

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
November 15, 2017

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; In Accordance With Uniform Guidance And The State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Alamance County
Graham, North Carolina

Report On Compliance for Each Major Federal Program

We have audited Alamance County, North Carolina's, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Alamance County's major federal programs for the year ended June 30, 2017. Alamance County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion On Each Major Federal Program

In our opinion, Alamance County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed an instance of non-compliance, which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying Schedule of Findings, Responses, and Questioned Costs as Finding 2017-004. Our opinion on each major federal program is not modified with respect to this matter.

Alamance County's response to the non-compliance finding identified in our audit is described in the accompanying Corrective Action Plan. Alamance County's response was not subjected to the auditing procedures applied in the audit of compliance and; we express no opinion on the response.

Report On Internal Control Over Compliance

Management of Alamance County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Alamance County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 Alamance County's internal control over compliance.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as Findings 2017-002, 2017-004, and 2017-005 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as Finding 2017-003 to be a significant deficiency.

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

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.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P. A.

Hickory, NC

November 15, 2017

Alamance County, North Carolina
Financial Statements and Schedules

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MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; In Accordance With Uniform Guidance And The State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Alamance County
Graham, North Carolina

Report on Compliance for Each Major State Program

We have audited Alamance County, North Carolina's, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Alamance County's major State programs for the year ended June 30, 2017. Alamance County's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State programs.

Auditor's Responsibility

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

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

Opinion On Each Major State Program

In our opinion, Alamance County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed an instance of non-compliance, which is required to be reported in accordance with Uniform Guidance and which are described in the accompanying Schedule of Findings, Responses, and Questioned Costs as Finding 2017-004. Our opinion on each major State program is not modified with respect to this matter.

Alamance County's response to the non-compliance finding identified in our audit is described in the accompanying Corrective Action Plan. Alamance County's response was not subjected to the auditing procedures applied in the audit of compliance and; we express no opinion on the response.

Report On Internal Control Over Compliance

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as Findings 2017-002, 2017-004, 2017-005, and 2017-006 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as Finding 2017-003 to be a significant deficiency.

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

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.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
November 15, 2017

Alamance County, North Carolina
Financial Statements and Schedules

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ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2017

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weaknesses identified? _____ Yes X No
- Significant deficiencies identified? X Yes _____ None reported

Non-compliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? X Yes _____ No
- Significant deficiencies identified? X Yes _____ None reported

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

Unmodified

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

 X Yes _____ No

Identification of major federal programs:

Federal Program/Cluster Name

CFDA

Medicaid Cluster

93.778, 93.775, 93.777

Child Support Enforcement

93.563

Children's Health Insurance Program

96.767

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

\$3,000,000

Auditee qualified as low-risk auditee?

_____ Yes X No

ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2017

Section I – Summary of Auditor's Results (continued):

State Awards

Internal control over major State programs:

- Material weaknesses identified? X Yes No
- Significant deficiencies identified? X Yes None reported

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

Unmodified

Any findings disclosed that are required to be
reported in accordance with the State Single
Audit Implementation Act?

 X Yes No

Identification of major State programs:

Program Name:

Medicaid Cluster
SC/SA Domiciliary Care
Children's Health Insurance Program
Public School Building Capital Fund

ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2017

Section II – Financial Statement Findings

Finding: 2017-001 – Deficit Fund Equity

SIGNIFICANT DEFICIENCY

Criteria: Management should monitor financial plans to ensure that they do not operate in a deficit.

Condition: The Employee Insurance Fund has deficit fund equity for the third year.

Effect: The Employee Insurance Fund continued to operate with a deficit in the current year.

Cause: The County adopted a balanced financial plan; however, one fund is currently at a deficit balance until revenue sources and transfers make up the deficit.

Identification of a Repeat Finding: This is a repeat finding from the immediate previous audit, 2016-003.

Recommendation: The County should budget to increase employees' premiums to cover the deficit.

Views of Responsible Officials and Planned Corrective Actions: Management concurs with this finding. Please refer to the Corrective Action Plan.

ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2017

Section III – Federal Award Findings, Responses, and Questioned Costs

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

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

CFDA # 93.778

Grant Number: XIX-MAP17

Finding: 2017-002

MATERIAL WEAKNESS

Criteria: In accordance with 2 CRF 200, management must have an adequate system of internal control procedures in place to properly review and assess the eligibility of individuals to ensure the accuracy of benefits being provided is within program requirements. Management must monitor activities under Federal Awards to assure compliance with federal requirements.

Condition: The County Department of Social Services was unable to provide evidence of documentation of caseworker performing the real property verification, for two applicants, failed to provide a signed application or re-certification for one applicant, and failed to verify one applicant was residing in a licensed SA approved facility or had a private-living arrangement if SA/IH. Upon further review, all four applicants were determined to be eligible.

Context: Of the 8,664 casefiles, we examined 83 and determined that three (3.6%) applicants lacked information available for eligibility determination. Two (2%) applicants received benefits during the fiscal year without documentation of their real property being verified properly. One (1%) applicant received benefits without a signed application.

Effect: Casefiles were missing the required documentation of real property verifications, and a signed application or re-certification, which could allow benefits to be provided to individuals who are not eligible.

Cause: Caseworker was unable to obtain or retain required documentation due to NCFAST conversion.

Questioned Costs: None. The County was able to substantiate that the applicants were eligible to receive benefits.

Recommendation: Caseworkers should look over their eligibility determinations and ensure required information is documented and retained in the casefile before approving benefits.

Views of Responsible Officials and Planned Corrective Actions: Management accepts this finding, however, many factors not discussed above contribute to the finding. These include functionality of NCFAST as well as human error. Please refer to the Corrective Action Plan.

ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2017

Section III – Federal Award Findings, Responses, and Questioned Costs (continued):

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

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

CFDA # 93.778

Grant Number: XIX-MAP17

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

Program Name: Child Support Enforcement

CFDA # 93.563

Grant Number: 1704NC4005

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

Program Name: Children's Health Insurance Program

CFDA # 93.767

Grant Number: CHIP17

SIGNIFICANT DEFICIENCY

Finding: 2017-003

Criteria: In accordance with 2 CFR 200, management must have an adequate system of internal control procedures in place to adequately safeguard confidential information from unauthorized use in compliance with applicable laws and regulations. In accordance with the Division of Social Services Fiscal Manual, DSS employees should control physical access to the State network terminals or personal computers that are connected to the State mainframe.

Condition: Upon surprise inspection, one unattended work station of a DSS employee was logged onto the State network without anyone attending to the work station.

Context: During a surprise walkthrough, we examined 30 workstations and determined that one (3%) workstation was not properly secured. The workstation was unattended and logged onto the State system.

Effect: Unauthorized access to the State system could be obtained due to the unattended logon to the system throughout the DSS building.

Cause: Lapse of internal controls over data security, involving a new employee.

Questioned Costs: The finding represents an internal control issue; therefore, no questioned costs are applicable.

Recommendation: Require the County Technology Services Department to implement procedures to require logout of workstations where access to the State DSS system is granted. The control procedures should include random verification of logout in instances where offices are unattended.

Views of Responsible Officials and Planned Corrective Actions: Management accepts this finding. Please refer to the Corrective Action Plan.

ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2017

Section III – Federal Award Findings, Responses, and Questioned Costs (continued):

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

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

CFDA # 93.778

Grant Number: XIX-MAP17

Finding: 2017-004

NON-MATERIAL NON-COMPLIANCE

MATERIAL WEAKNESS

Criteria: In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific income standards, and documentation must be maintained to support eligibility determinations.

Condition: One applicant's MAF benefits lapsed in April, 2016 as individual turned 21.

Context: Of the 8,664 casefiles, we examined 83; one (1%) applicant was determined to be ineligible as Medicaid (MAF) lapsed in April, 2016 due to individual turning 21 years old. Individual was not given adequate notice of termination, therefore forced eligibility occurred. Case was set to terminate 12/31/2016, but due to County error, individual received MAF benefit in January of 2017.

Effect: Applicants could receive benefits they are not eligible for.

Cause: The caseworker did not give individual adequate notice of termination, and was therefore required to extend benefits per policy.

Questioned Costs: \$146 is the amount provided by the NCDHHS as the total amount of costs reported. In accordance with 2 CFR 200, as auditors must report known questioned costs when likely questioned costs are greater than \$25,000. Therefore, the overpayment of \$146 (federal share \$96) is being questioned.

Recommendation: Caseworkers should ensure that timely notices of termination are given to all individuals.

Views of Responsible Officials and Planned Corrective Actions: Management accepts this finding, however, policy required extension of benefits. Please refer to the Corrective Action Plan.

ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2017

Section III – Federal Award Findings, Responses, and Questioned Costs (continued):

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

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

CFDA # 93.778

Grant Number: XIX-MAP17

Finding: 2017-005

MATERIAL WEAKNESS

Criteria: In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific income standards, and documentation must be maintained to support eligibility determinations.

Condition: One applicant had a change in SSI benefits prior to the recertification period. The change of benefits was not considered in determining eligibility of applicant for Medicaid.

Context: Of the 8,664 casefiles, we examined 83; one (1%) applicant was not re-determined timely.

Effect: Applicants could receive benefits they are not eligible for.

Cause: The caseworker did not properly re-determine the applicant within four months of SSI benefit termination.

Questioned Costs: None. The County was able to substantiate that the applicant was eligible to receive benefits.

Recommendation: Caseworkers should ensure they properly re-determine applicants within the required timeframe after SSI benefits have been terminated.

Views of Responsible Officials and Planned Corrective Actions: Management accepts this finding, however, many factors not discussed above contribute to the finding. These include functionality of NCFAS as well as human error. Please refer to the Corrective Action Plan.

ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2017

Section IV – State Award Findings, Responses, and Questioned Costs:

N.C. Department of Health and Human Services

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

Finding: 2017-002 – In accordance with 2 CRF 200, management must have an adequate system of internal control procedures in place to properly review and assess the eligibility of individuals to ensure the accuracy of benefits being provided is within program requirements. Management must monitor activities under Federal Awards to assure compliance with federal requirements. See Finding 2017-002 in Section III – Federal Award Findings and Questioned Costs.

N.C. Department of Health and Human Services

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

Program Name: SC/SA Domiciliary Care

Program Name: Children’s Health Insurance Program

Finding: 2017-003 – In accordance with 2 CFR 200, management must have an adequate system of internal control procedures in place to adequately safeguard confidential information from unauthorized use in compliance with applicable laws and regulations. In accordance with the Division of Social Services Fiscal Manual, DSS employees should control physical access to the State network terminals or personal computers that are connected to the State mainframe. See Finding 2017-003 in Section III – Federal Award Findings and Questioned Costs.

N.C. Department of Health and Human Services

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

Finding: 2017-004 – In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific income standards, and documentation must be maintained to support eligibility determinations. See Finding 2017-004 in Section III – Federal Award Findings and Questioned Costs.

N.C. Department of Health and Human Services

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

Finding: 2017-005 – In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific income standards, and documentation must be maintained to support eligibility determinations. See Finding 2017-005 in Section III – Federal Award Findings and Questioned Costs.

ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2017

Section IV – State Award Findings, Responses, and Questioned Costs (continued):

N.C. Department of Health and Human Services

Program Name: SC/SA Domiciliary Care

Finding: 2017-006

MATERIAL WEAKNESS

Criteria: In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific income standards, and documentation must be maintained to support eligibility determinations.

Condition: The County Department of Social Services failed to provide evidence of documentation of caseworker sending a notice on eligibility for 33 certification periods, receiving a current FL-2 for nine certification periods, and a signed application or re-certification for 21 certification periods. Upon further review, applicants were eligible.

Context: Of the 556 casefiles, we examined 60 and determined that for 33 (55%) certification periods, applicant did not receive a notice on eligibility, for nine (15%) certification periods, applicant received benefits during the fiscal year without a current FL-2, and for 21 (35%) certification periods, applicant did not have signed applications or re-certifications in the casefile.

Effect: Casefiles were missing the required documentation of a copy of the notice on eligibility, a current FL-2 at recertification(s), and signed applications or re-certifications, which could allow benefits to be provided to individuals who are not eligible.

Cause: Caseworker did not obtain or retain the proper documentation at recertification due to NCFast conversion.

Questioned Costs: None. The County was able to substantiate that the applicants were eligible to receive benefits.

Recommendation: Caseworkers should process all new and recertifying applicants through obtaining a current FL-2 as required by program requirements and retain documentation of such in the applicant's casefile, ensure a notice on eligibility is sent as required and timely, and the application or re-certification is signed.

Views of Responsible Officials and Planned Corrective Actions: Management accepts this finding, however, many factors not discussed above contribute to the finding. These include functionality of NCFast as well as human error. Please refer to the Corrective Action Plan.

Alamance County

FINANCE DEPARTMENT
124 West Elm Street
Graham, North Carolina 27253
Tel. (336) 570-4026
FAX (336) 570-6360

Susan D. Roberts
Finance Officer

CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2017

Section II – Financial Statement Findings

Finding: **2017-001**

Name of Contact Person: Susan Roberts, Finance Director

Corrective Action/Management's Response: Management concurs with the condition, context and recommendations. In December 2015, the Board approved a Self-Insurance Fund plan that allowed a transfer from the Worker's Compensation Fund to the Employee Insurance Fund to improve fund balance. Also, premiums will be increased over the course of the next fiscal years.

Proposed Completion Date: Management and the Board will implement the above procedure immediately.

Alamance County

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Susan D. Roberts
Finance Officer

CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2017

Section III – Federal Award Findings and Questioned Costs:

Finding: **2017-002**

Name of Contact Person: Susan Osborne, DSS Director

Corrective Action/Management's Response: Management accepts the condition, context and recommendations. Caseworkers will receive refresher training which will include a checklist of items required before approving benefits. Supervisors will continue to perform second party reviews on cases. Results will be compiled and provided to management for review. We will incorporate measures into our County Performance Management standards next year in order to ensure compliance and monitoring of compliance standards.

Proposed Completion Date: Management will implement the above procedure immediately.

Finding: **2017-003**

Name of Contact Person: Susan Osborne, DSS Director

Corrective Action/Management's Response: Management accepts the condition, context and recommendations. Caseworkers will receive reminders regarding log out procedures in state systems. Information technology staff, trainers, and supervisors will conduct quarterly surprise checks to ensure compliance. Information technology staff will explore options related to automating lock procedures on terminals.

Proposed Completion Date: Management will implement the above procedure immediately.

Alamance County

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Susan D. Roberts
Finance Officer

CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2017

Section III – Federal Award Findings and Questioned Costs (continued):

Finding: 2017-004

Name of Contact Person: Susan Osborne, DSS Director

Corrective Action/Management's Response: Management accepts the condition, context and recommendations. Caseworkers will receive refresher training regarding adequate notice of termination. Supervisors will continue to perform second party reviews on cases and we will strengthen the procedures and tracking around this process. Results will be compiled and provided to management for review. We will incorporate measures into our County Performance Management standards next year in order to ensure compliance and monitoring of compliance standards.

Proposed Completion Date: Management will implement the above procedure immediately.

Finding: 2017-005

Name of Contact Person: Susan Osborne, DSS Director

Corrective Action/Management's Response: Management accepts the condition, context and recommendations. Caseworkers will receive refresher training related to required timeframes for properly re-determining eligibility after SSI benefits have been terminated. Supervisors will continue to perform second party reviews on cases and we will strengthen the procedures and tracking around this process. Results will be compiled and provided to management for review. We will incorporate measures into our County Performance Management standards next year in order to ensure compliance and monitoring of compliance standards.

Proposed Completion Date: Management will implement the above procedure immediately.

Alamance County

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Susan D. Roberts
Finance Officer

CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2017

Section IV – State Award Findings and Questioned Costs

Finding: 2017-002

See Finding 2017-002 in Section III – Federal Award Findings and Questioned Costs of the Corrective Action Plan.

Finding: 2017-003

See Finding 2017-003 in Section III – Federal Award Findings and Questioned Costs of the Corrective Action Plan.

Finding: 2017-004

See Finding 2017-004 in Section III – Federal Award Findings and Questioned Costs of the Corrective Action Plan.

Finding: 2017-005

See Finding 2017-005 in Section III – Federal Award Findings and Questioned Costs of the Corrective Action Plan.

Finding: 2017-006

Name of Contact Person: Susan Osborne, DSS Director

Corrective Action/Management's Response: Management accepts the condition, context and recommendations. Caseworkers will receive refresher training regarding correct documentation which will include a checklist of items required before approving benefits. Supervisors will continue to perform second party reviews on cases. Results will be compiled and provided to management for review. We will incorporate measures into our County Performance Management standards next year in order to ensure compliance and monitoring of compliance standards.

Proposed Completion Date: Management will implement the above procedure immediately.

ALAMANCE COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017

Finding: **2016-001**

Status: Corrected.

Finding: **2016-002**

Status: During our follow up of prior year finding, we were unable to determine whether corrective action procedures were completed. The case has been subsequently closed and benefits were stopped.

Finding: **2016-003**

Status: This is a repeat finding in current year as Finding 2017-001.

ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/ Pass-Through Grantor Number	Fed.(Direct and Pass-Through) Expenditures	State Expenditures	Passed-through to Subrecipients
Federal Awards:					
<u>U. S. Department of Agriculture</u>					
<u>Food and Nutrition Service</u>					
Passed-Through N.C. Department of Health and Human Services:					
Division of Social Services:					
Supplemental Nutrition Assist. Program Cluster:					
Administration:					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	175NC406S2514	\$ 1,213,545	\$ -	\$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	175NC406S2514	31,981	-	-
Total Supplemental Nutrition Assist. Program Cluster			1,245,526	-	-
Passed-Through N.C. Department of Health and Human Services:					
Division of Public Health					
Administration:					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	403 13A2 5403	781,956	-	-
Direct Benefit Payments:					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	DPH WIC	3,389,556	-	-
Total U.S. Department of Agriculture			5,417,038	-	-
<u>U.S. Department of Justice</u>					
Direct Program:					
State Criminal Alien Assistance Program	16.606	#2015-AP-BX0378	9,500	-	-
Passed-Through N.C. Department of Public Safety, Governor's Crime Commission:					
Crime Victim Assistance	16.575		104,837	-	-
Violence Against Women Act Court Training & Improvement Grant	16.013	2014-VA-GX-0021	26,385	-	-
Total U.S. Department of Justice			140,722	-	-
<u>U.S. Department of Homeland Security</u>					
<u>Federal Emergency Management Agency</u>					
Passed-Through N.C. Department of Public Safety:					
Emergency Management Performance Grants	97.042	EMPG-2015-37001	52,929	-	-
Total U.S. Department of Homeland Security			52,929	-	-
<u>U.S. Department of Housing and Urban Development</u>					
Direct Program:					
Community Development Block/Entitlement Grants Cluster:					
Community Development Block Grant/ Entitlement Grants	14.218	B16MC370002	10,000	-	-
Total Community Development Block/Entitlement Grants Cluster			10,000	-	-
<u>U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration:</u>					
Passed-through the N.C. Department of Public Safety, Division of Emergency Management:					
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HM-HMP-0469-15-01-00	9,500	-	-
Total U.S. Department of Transportation			9,500	-	-
<u>U. S. Department of Health and Human Services</u>					
<u>Administration for Children and Families</u>					
Passed-Through N.C. Department of Health and Human Services:					
Division of Social Services:					
Administration:					
Social Services Block Grant- Adult Day Care	93.667	G1701NCSOSR	21,780	29,746	-
Social Services Block Grant- Adult Day Care Over 60	93.667	G1701NCSOSR	7,914	7,539	-
Social Services Block Grant-Adult Protective Service	93.667	G1701NCSOSR	21,571	-	-
Social Services Block Grant- In-Home Services	93.667	G1701NCSOSR	27,457	-	-
Social Services Block Grant- In-Home Services Over 60	93.667	G1701NCSOSR	28,769	-	-
Social Services Block Grant- S S B G Other Services & Training	93.667	G1701NCSOSR	339,618	30,119	-
Social Services Block Grant	93.667	2016-Region G-001	17,806	506	18,312
Promoting Safe and Stable Families	93.556	1701NCFPSS	76,297	-	-
Promoting Safe and Stable Families	93.556	1701NCFPSS	42,939	-	-
Child Support Enforcement- IV-D Administration	93.563	1704NC4005	1,187,024	-	-
Child Support Enforcement- IV-D Offset Fees-Esc	93.563	1704NC4005	125	7	-
Child Support Enforcement- IV-D Offset Fees- Federal	93.563	1704NC4005	5,436	-	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	1701NCRMA	553	-	-
Low-Income Home Energy Assistance	93.568	G17B1NCLIEA	638,707	-	-
Low-Income Home Energy Assistance	93.568	G17B1NCLIEA	96,038	-	-
Low Income Home Energy Assistance	93.568	G17B1NCLIEA	584,062	-	-
Chafee Foster Care Independence Program- Administration	93.674	1701NC1420	16,352	4,088	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G1701NCCWSS	30,497	-	-
Direct Benefits:					
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	1701NCRMA	667	-	-
Chafee Foster Care Independence Program- Direct Benefits	93.674	1701NC1420	21,819	-	-
Total Division of Social Services			3,165,431	72,005	18,312

ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/ Pass-Through Grantor Number	Fed.(Direct and Pass-Through) Expenditures	State Expenditures	Passed-through to Subrecipients
<u>Temporary Assistance for Needy Families Cluster</u>					
Temporary Assistance for Needy Families (TANF) State Programs:					
Administration:					
Temporary Assistance for Needy Families	93.558	1701NCTANF	17,146	-	-
Temporary Assistance for Needy Families	93.558	1701NCTANF	187,452	-	-
Direct Benefit Payments:					
Temporary Assistance for Needy Families	93.558	1701NCTANF	12,000	-	-
Temporary Assistance for Needy Families	93.558	1701NCTANF	571,722	-	-
Temporary Assistance for Needy Families	93.558	1701NCTANF	643,689	-	-
Total Temporary Assistance for Needy Families Cluster			1,432,009	-	-
<u>Foster Care and Adoption Cluster³:</u>					
Division of Social Services:					
Foster Care_ Title IV-E	93.658	1701NCFOST	60,763	63,364	-
Foster Care_ Title IV-E	93.658	1701NCFOST	206,855	-	-
Foster Care_ Title IV-E - Direct Benefit Payments	93.658	1701NCFOST	3,046	1,523	-
Foster Care_ Title IV-E - Direct Benefit Payments	93.658	1701NCFOST	580	-	-
Foster Care_ Title IV-E - Direct Benefit Payments	93.658	1701NCFOST	157,171	39,104	-
Foster Care_ Title IV-E - Direct Benefit Payments	93.658	1701NCFOST	141,971	36,286	-
Foster Care_ Title IV-E - Direct Benefit Payments	93.658	1701NCFOST	3,728	-	-
Foster Care_ Title IV-E	93.658	1701NCFOST	382,929	-	-
Adoption Assistance	93.659	1701NCADPT	481	-	-
Adoption Assistance	93.659	1701NCADPT	32,572	-	-
Adoption Assistance - Direct Benefit Payments	93.659	1701NCADPT	978,158	245,477	-
Adoption Assistance	93.659	1701NCADPT	1,991	-	-
Adoption Assistance	93.659	1701NCADPT	3,742	-	-
Total Foster Care and Adoption Cluster ³			1,973,987	385,754	-
<u>Subsidized Child Care Cluster³</u>					
<u>Child Care Development Fund Cluster:</u>					
Division of Social Services:					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	G1701NCCDF	226,230	-	-
Division of Child Development:					
Child Care and Development Block Grant- Discretionary	93.575	13801810TB01	1,912,225	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund-Mandatory	93.596	G1701NCCDF	694,281	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund-Matching	93.596	G1701NCCDF	1,205,448	461,226	-
Total Child Care Development Fund Cluster			4,038,184	461,226	-
Temporary Assistance for Needy Families	93.558	1701NCTANF	590,197	-	-
Foster Care_ Title IV-E	93.658	1701NCFOST	67,006	33,420	-
Smart Start			-	907	-
State Appropriations			-	749,258	-
TANF - Maintenance of Effort			-	604,592	-
Total Subsidized Child Care Cluster ³			4,695,387	1,849,403	-
Total Administration for Children and Families			11,266,814	2,307,162	-
<u>Centers for Medicare and Medicaid Services</u>					
Passed-Through N.C. Department of Health and Human Services:					
<u>Medicaid Cluster:</u>					
Division of Medical Assistance:					
Direct Benefit Payments:					
Medical Assistance Program	93.778	XIX-MAP17	132,421,052	69,710,197	-
Division of Social Services:					
Administration:					
Medical Assistance Program	93.778	XIX-MAP17	114,058	45,185	-
Medical Assistance Program	93.778	XIX-MAP17	83,444	-	-
Medical Assistance Program	93.778	XIX-MAP17	2,731,959	-	-
Medical Assistance Program	93.778	XIX-MAP17	152,975	-	-
Medical Assistance Program	93.778	XIX-MAP17	99,278	-	-
Total Medicaid Cluster			135,602,766	69,755,382	-
Division of Social Services:					
Direct Benefit Payments:					
Children's Health Insurance Program	93.767	CHIP17	3,168,421	12,115	-
Administration:					
Children's Health Insurance Program	93.767	CHIP17	100,816	114	-
Total Division of Medical Assistance			138,872,003	69,767,611	-
<u>Centers for Disease Control and Prevention</u>					
Passed-Through N.C. Department of Health and Human Services:					
Division of Public Health:					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	613 1264 2680	51,350	-	-
Immunization Cooperative Agreements	93.268	715 1331 631D	14,037	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	551 1460 272B	50	-	-

ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/ Pass-Through Grantor Number	Fed.(Direct and Pass-Through) Expenditures	State Expenditures	Passed-through to Subrecipients
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	886 1261 5503	26,707	-	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	472 1175 837A	1,500	-	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	H23IP000759	19,879	-	-
HIV Cluster:					
HIV Prevention Activities_Health Department Based	93.940	610 1311 981E	3,000	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977	610 1311 462	988	-	-
Total HIV Cluster			3,988	-	-
Total Division of Public Health			117,511	-	-
<u>Health Resources and Services Administration</u>					
Passed-Through N.C. Department of Health and Human Services:					
Division of Public Health:					
Maternal and Child Health Services Block Grant to the States	93.994	101 13A1 5740	39,298	-	-
Maternal and Child Health Services Block Grant to the States	93.994	101 13A1 5740	197,953	65,955	-
<u>Office of the Population Affairs</u>					
Passed-Through N.C. Department of Health and Human Services:					
Division of Public Health:					
Family Planning_Services	93.217	151 13A1 592	53,442	-	-
<u>Administration for Community Living</u>					
Division of Aging and Adult Services					
Passed-Through Land of the Sky Regional Council:					
Aging Cluster:					
Special Programs for the Aging_Title III, Part B_ Grants for Supportive Services and Senior Centers	93.044	2016-Region G-001	150,457	132,570	283,027
Special Programs for the Aging_Title III, Part C_Nutrition Services	93.045	2016-Region G-001	133,646	7,868	141,514
Special Programs for the Aging_Title III, Part C_Nutrition Services	93.045	2016-Region G-001	157,229	9,257	166,486
Nutrition Services Incentive Program	93.053	2016-Region G-001	64,004	-	64,004
Total Aging Cluster			505,336	149,695	655,031
Total Administration for Community Living			505,336	149,695	655,031
Total U. S. Department of Health and Human Services			151,052,357	72,290,423	673,343
Total Federal Awards			156,682,546	72,290,423	673,343
State Awards:					
<u>N.C. Department of Cultural and Natural Resources</u>					
Division of State Library:					
LSTA EZ Literacy & Lifelong Learning Grant			-	29,477	-
State Aid to Public Libraries			-	180,887	-
Total N. C. Department of Cultural and Natural Resources			-	210,364	-
<u>N.C. Department of Environmental Quality</u>					
Parks and Recreation Trust Fund			-	-	-
Abandoned Mobile Home Grant			-	15,575	15,575
NC PARTF Property Acquisition			-	-	-
Total N. C. Department of Environmental Quality			-	15,575	15,575
<u>N.C. Department of Justice</u>					
NC Domestic Violence Victim Assistance Act			-	36,041	-
Total N. C. Department of Justice			-	36,041	-
<u>N.C. Department of Health and Human Services</u>					
Division of Public Health:					
Food and Lodging Fees			-	42,749	-
Child Health			-	12,554	-
General Aid to Counties			-	133,282	-
General Communicable Disease Control			-	3,708	-
Sexually Transmitted Diseases			-	6,182	-
Minority Health Closing the Gap			-	203,116	-
Minority Demo Grant			-	12,298	-
Women's Health Service Fund			-	17,084	-
School Nurse Funding Initiative			-	100,000	-
Maternal Health (HMMC)			-	16,438	-
HMMC-Family Planning			-	10,222	-
Tuberculosis			-	30,395	-
HIV/STD State			-	2,500	-
HIV/STD SSBG Aid			-	10,000	-
TB Medical Service			-	787	-
Total Division of Public Health			-	601,315	-

ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/ Pass-Through Grantor Number	Fed.(Direct and Pass-Through) Expenditures	State Expenditures	Passed-through to Subrecipients
Division of Social Services:					
Administration:					
ST Child Welfare/CPS/CS LD			-	264,115	-
DCD Smart Start			-	68,810	-
Energy Assistance Private Grant			-	5,922	-
AFDC Incent/Prog-Integrit			-	2,255	-
Direct Benefit Payments:					
CWS Adopt, Vendor, Guard			-	282,013	-
Extended FC/Max Non IV-E			-	7,119	-
F/C At Risk Maximization			-	641	-
SAA/SAD HB 1030			-	68,374	-
SC/SA Domiciliary Care			-	1,001,100	-
SFHF Maximization			-	81,639	-
State Foster Care HIV			-	6,000	-
State Foster Home			-	69,101	-
Total Division of Social Services			-	1,857,089	-
Division of Aging and Adult Services:					
Caregiver Match			-	5,036	-
In-Home Services State Funds			-	217,597	-
Total Division of Aging and Adult Services			-	222,633	-
Total N.C. Department of Health and Human Services			-	2,681,037	-
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund:					
Public School Building Capital Fund			-	1,497,462	-
<u>N.C. Department of Transportation</u>					
Rural Operating Assistance Program (ROAP)					
ROAP Elderly and Disabled Transportation Assistance Program		DOT-16CL	-	105,096	-
ROAP Rural General Public Program		DOT-16CL	-	76,055	-
ROAP Work First Transitional- Employment					
Transportation Assistance Program		DOT-16CL	-	35,349	-
Total ROAP Cluster			-	216,500	-
Total N.C. Department of Transportation			-	216,500	-
<u>N.C. Department of Public Safety</u>					
Passed through the Office of Juvenile Justice					
Juvenile Crime Prevention Council Program			-	323,549	323,549
Total State Awards			-	4,980,528	339,124
Total Federal and State Awards			\$ 156,682,546	\$ 77,270,951	\$ 1,012,467

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and State grant activity of Alamance County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2017. The information in this SEFSA is presented in accordance with the requirements of Title 2 US *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Because the schedule presents only a selected portion of the operations of Alamance County, it is not intended to and does not present the net position, changes in net position or cash flows of Alamance County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursements. Alamance County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Cluster of Programs

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