

**ALAMANCE COUNTY**  
**NORTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2016**

**PREPARED BY ALAMANCE COUNTY FINANCE DEPARTMENT**



# ALAMANCE COUNTY, NORTH CAROLINA

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## ***INTRODUCTORY SECTION***

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

Alamance County, North Carolina  
Financial Statements and Schedules

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# ALAMANCE COUNTY

## Finance Department

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336-570-4026

FAX (336) 570-6360

**Susan D. Roberts**

Finance Officer

January 30, 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, 2016. 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, 2016, 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, 2016 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.

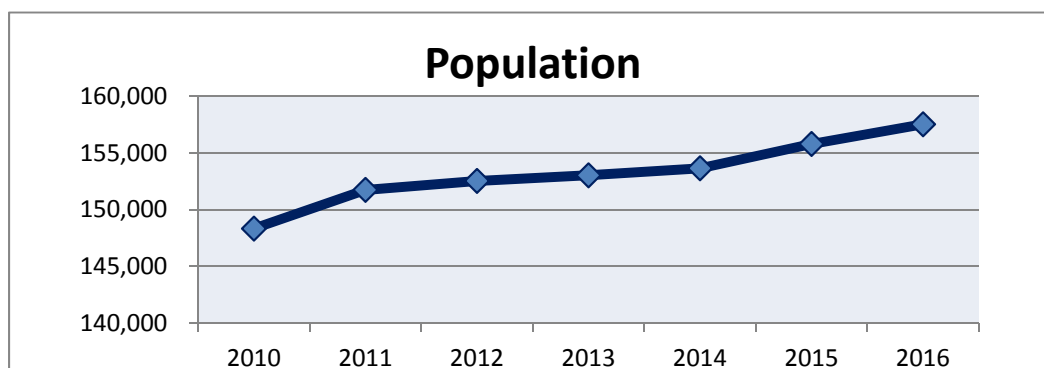
The County provides its citizens with a wide range of services including sheriff and fire protection, solid waste management, health and social services, cultural and recreational activities, general government administration, and others. In addition to the direct service provision provided, the County 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 2016 population for the County was 157,522, representing a 6.2% increase from the 2010 estimated population of 148,338. Projections indicate a constant level of growth for 2016-2017. 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**

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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 2016 was 4.4 percent as compared to 4.9 percent statewide.

Alamance County's economy continues to struggle, however, there are 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.

Major corporate announcements, including distribution facilities planned by Sheetz, Inc. and Wal-Mart, offer a promising outlook for not only direct employment, but support businesses as well. Honda Jet received provisional accreditation by the FAA, allowing the manufacture of the jet engine plant located in Alamance County to come to full fruition. In addition to providing local employment opportunities, these major capital investments will contribute substantially to increasing the county property tax base. 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 conducted eight years ago, whose values became effective January 1, 2017, the County saw the tax base grow by 12% to almost \$12.4 billion. The County is currently preparing for the next revaluation which will be implemented in 2017. Our second largest revenue, sales tax, in recent years has been impacted by the economy. However, growth is returning. Sales tax has increased by 36.5% since 2012. As the economy continues to strengthen, the sales tax base grows.

## **Management Policies**

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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**

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During the year, the County engaged in several initiatives to ensure our ability to continue to meet long-term expectations. From a budgetary standpoint, several actions were taken to counter the effects of the economic downturn and the State's actions to impound certain shared taxes. In adopting the budget for FY 2015-2016, the Board of Commissioners approved an ad valorem tax rate of \$0.58, a \$0.05 increase from the prior year.

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 dedicating funds to be set aside for fund balance.

## **The Future**

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

- Personnel – Continuing implementation of recommendations from a Pay and Class Study.
- Capital Outlay – Allocation of \$443,956 for technology infrastructure and emergency medical equipment, \$531,000 for vehicles the majority for patrol cars, \$44,786 for building improvements, and \$206,190 for library materials.
- Transfer to Other Funds – an allocation of \$250,000 for the County Buildings Capital Reserve Fund.

## **Awards and Acknowledgements**

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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 2015 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,



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, 2015**



Executive Director/CEO

ALAMANCE COUNTY, NORTH CAROLINA

PRINCIPAL OFFICIALS

Board of County Commissioners 2015-2016

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Seated from left: Roger Parker, Chair - Eddie Boswell, Linda H. Massey  
Standing from left: Vice Chair - Robert "Bob" Byrd, David I. Smith

County Administrative and Financial Staff

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Craig F. Honeycutt, *County Manager*

J. Bryan Hagood, *Assistant County Manager*

Clyde B. Albright, *County Attorney*

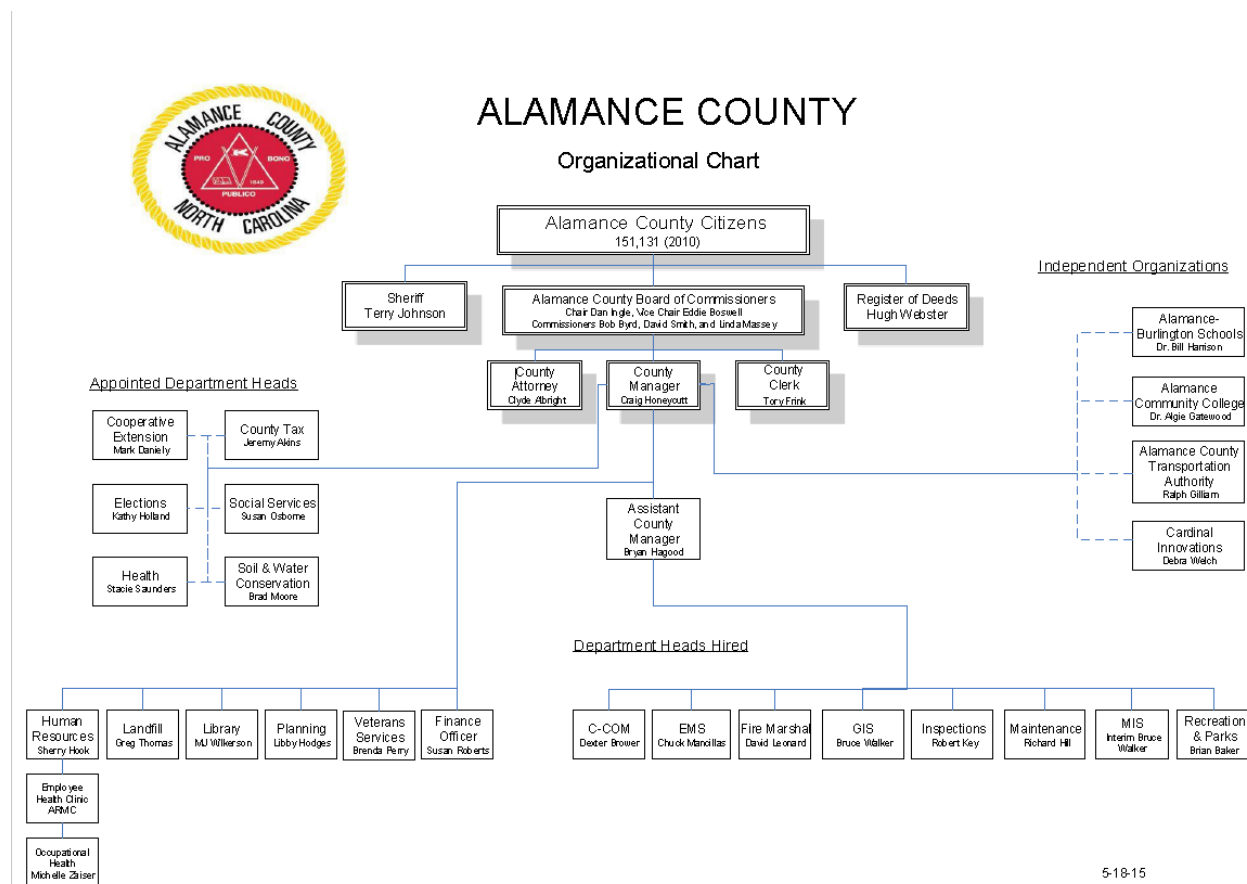
Tory M. Frink, *Clerk to the Board*

Susan Roberts, *Finance Officer*



# ALAMANCE COUNTY, NORTH CAROLINA

## Organization Chart - June 30, 2016



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Alamance County, North Carolina  
Financial Statements and Schedules

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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, 2016, 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 64.26%, 60.38%, and 81.78% 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, 2016, 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.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedule of Funding Progress, Other Post-Employment Benefits' Schedules of Funding Progress and Employer Contributions, Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Asset (Liability) and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset (Liability) and Schedule of County Contributions, 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 nonmajor fund financial statements, budgetary 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 tables 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 January 30, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Alamance County's internal control over financial reporting and compliance.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, NC  
January 30, 2017

Alamance County, North Carolina  
Financial Statements and Schedules

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## Management's Discussion and Analysis

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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, 2016. 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

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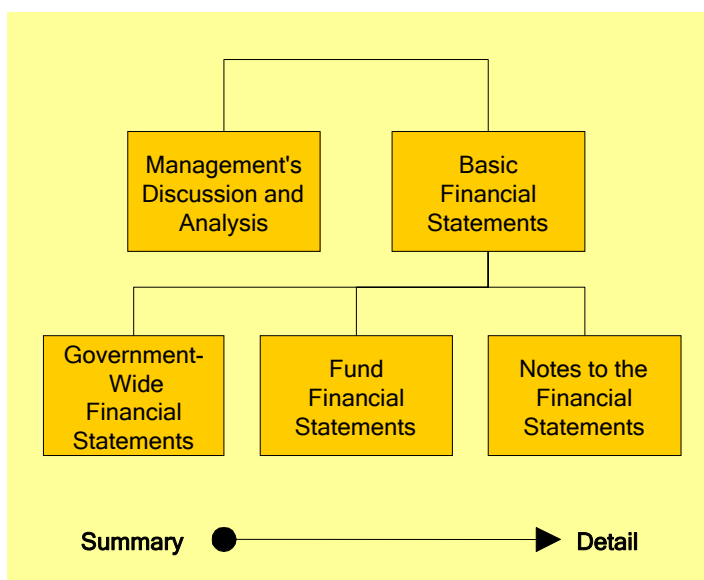
- The assets and deferred outflows of resources of Alamance County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$49,072,529 (net position).
- The government's total net position increased by \$10,781,379, primarily due to an increase in property tax and sales tax revenues.
- As of the close of the current fiscal year, Alamance County's governmental funds reported combined ending fund balances of \$48,505,161, an increase of \$6,557,595 in comparison with the prior year. Approximately 27% of this total amount, or \$14,957,890, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$31,207,283, or 22.7%, of total General Fund expenditures for the fiscal year.
- Alamance County's total bond and financing debt decreased by \$7,647,940 during the current fiscal year.
- Alamance County not only maintained its Aa2 bond rating, but S&P raised the long-term bond rating from AA- to AA. Reflecting the County's consistently strong budgetary performance, which has led to sustained increases in its reserve levels and the County's adoption of an enhanced formal reserve policy.

## Overview of the Financial Statements

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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

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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 J) 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

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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

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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

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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 \$49,072,529 as of June 30, 2016. The County's net position for governmental activities increased by \$10,325,411 for the fiscal year ended June 30, 2016. One of the largest portions (138.8%) 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, 2016 include outstanding general obligation debt of \$37 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**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Current and other assets	\$ 54,657,434	\$ 53,959,052	\$ 19,917,438	\$ 18,619,398	\$ 74,574,872	\$ 72,578,450
Capital assets	62,099,680	62,133,285	13,063,349	13,523,183	75,163,029	75,656,468
Total assets	<u>116,757,114</u>	<u>116,092,337</u>	<u>32,980,787</u>	<u>32,142,581</u>	<u>149,737,901</u>	<u>148,234,918</u>
Total deferred outflows of resources	<u>3,788,822</u>	<u>2,906,813</u>	<u>55,884</u>	<u>43,012</u>	<u>3,844,706</u>	<u>2,949,825</u>
Long-term liabilities outstanding	89,663,915	91,339,007	10,981,166	10,454,448	100,645,081	101,793,455
Other liabilities	2,041,790	2,124,687	117,849	107,094	2,159,639	2,231,781
Total liabilities	<u>91,705,705</u>	<u>93,463,694</u>	<u>11,099,015</u>	<u>10,561,542</u>	<u>102,804,720</u>	<u>104,025,236</u>
Total deferred inflows of resources	<u>1,675,074</u>	<u>8,695,710</u>	<u>30,284</u>	<u>172,647</u>	<u>1,705,358</u>	<u>8,868,357</u>
Net position:						
Net investment in capital assets	55,056,788	52,121,982	13,063,349	13,523,183	68,120,137	65,645,165
Restricted	14,915,071	12,914,369	-	-	14,915,071	12,914,369
Unrestricted	<u>(42,806,702)</u>	<u>(48,196,605)</u>	<u>8,844,023</u>	<u>7,928,221</u>	<u>(33,962,679)</u>	<u>(40,268,384)</u>
Total net position	<u>\$ 27,165,157</u>	<u>\$ 16,839,746</u>	<u>\$ 21,907,372</u>	<u>\$ 21,451,404</u>	<u>\$ 49,072,529</u>	<u>\$ 38,291,150</u>

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

- Continued diligence in the collection of property taxes kept the collection percentage to 98.77%
- Slight decreases in revenue offset by slight decreases in expenditures due to continued diligence in managing the activity of the County

**Alamance County Changes in Net Position**  
**Figure 3**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 12,813,021	\$ 13,456,418	\$ 4,122,341	\$ 4,186,567	\$ 16,935,362	\$ 17,642,985
Operating grants and contributions	26,789,735	25,917,122	-	-	26,789,735	25,917,122
Capital grants and contributions	594,602	683,451	-	10,243	594,602	693,694
Total program revenues	40,197,358	40,056,991	4,122,341	4,196,810	44,319,699	44,253,801
General revenues:						
Taxes:						
Property taxes for general purposes	81,154,704	72,673,241	-	-	81,154,704	72,673,241
Sales taxes for general purposes	27,608,429	25,080,073	-	-	27,608,429	25,080,073
Sales taxes for school capital/debt	-	-	-	-	-	-
Occupancy taxes for tourism development	-	-	-	-	-	-
Other taxes	1,511,829	1,345,902	-	-	1,511,829	1,345,902
Unrestricted investment earnings	430,146	366,422	11,011	907	441,157	367,329
Other	-	2,374,090	-	-	-	2,374,090
Total revenues	150,902,466	141,896,719	4,133,352	4,197,717	155,035,818	146,094,436
<b>Expenses:</b>						
General government	14,779,532	14,207,928	-	-	14,779,532	14,207,928
Public safety	39,033,971	36,135,453	-	-	39,033,971	36,135,453
Transportation	802,261	562,629	-	-	802,261	562,629
Economic and physical development	2,903,127	1,605,380	-	-	2,903,127	1,605,380
Environmental protection	684,094	277,956	-	-	684,094	277,956
Human services	34,768,061	36,704,216	-	-	34,768,061	36,704,216
Cultural and recreational	3,710,378	3,786,386	-	-	3,710,378	3,786,386
Education	41,598,497	37,497,309	-	-	41,598,497	37,497,309
Interest on long-term debt	2,297,134	2,550,352	-	-	2,297,134	2,550,352
Landfill	-	-	3,677,384	3,288,476	3,677,384	3,288,476
Total expenses	140,577,055	133,327,609	3,677,384	3,288,476	144,254,439	136,616,085
Change in net position	10,325,411	8,569,110	455,968	909,241	10,781,379	9,478,351
<b>Net Position:</b>						
Beginning of year - July 1	16,839,746	11,959,884	21,451,404	20,640,950	38,291,150	32,600,834
Restatement	-	(3,689,248)	-	(98,787)	-	(3,788,035)
Beginning of year, as restated	16,839,746	8,270,636	21,451,404	20,542,163	38,291,150	28,812,799
End of year - June 30	\$ 27,165,157	\$ 16,839,746	\$ 21,907,372	\$ 21,451,404	\$ 49,072,529	\$ 38,291,150

**Governmental Activities.** Governmental activities increased the County's net position by \$10,325,411. Key elements of the net increase are as follows:

- Increase in property tax revenue due to increased tax rate and strong vehicle tax collections
- Increase in sales tax revenue due to increased consumer spending in the County

**Business-Type Activities.** Business-type activities increased Alamance County's net position by \$455,968. 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

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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 \$35,605,500, while total fund balance reached \$46,314,712, an increase of \$7,847,532 compared to the prior year. The County currently has an available fund balance of 25.9% of General Fund expenditures, while total fund balance represents 33.7% of the same amount.

At June 30, 2016, the governmental funds of Alamance County reported a combined fund balance of \$48,505,161 a 15.63% increase from last year. The reason for this increase of fund balance is the increase in the General Fund of \$7,847,532, a decrease in the Schools Capital Projects Fund of \$1,529,595, a decrease in the Renovation and Repair Capital Project of \$219,838, and an increase in other governmental funds of \$459,496. 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 decrease in the schools capital projects, Renovation and Repair Capital Project is due to the completion and progress of various projects in process. The increase in other governmental funds is due to grant reimbursements.

**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 \$3,176,397 and expenditures by \$6,794,699. Other financing sources/uses increased by \$3,618,302.

**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 \$8,844,023, an increase of \$915,812 compared to the prior year. The total increase in net position for the fund was \$455,968. Unrestricted net position of the internal service funds at the end of the year amounted to \$97,899, a decrease of \$1,387,047 compared to the prior year. The County has improved 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, 2016 totals \$75,163,029 (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	
	2016	2015	2016	2015	2016	2015
Land	\$ 3,725,249	\$ 3,107,666	\$ 2,765,112	\$ 2,765,112	\$ 6,490,361	\$ 5,872,778
Construction in progress	-	-	-	-	-	-
Library books and audio/ visual materials	3,290,216	3,382,106	-	-	3,290,216	3,382,106
Buildings	34,210,473	33,626,667	737,149	738,457	34,947,622	34,365,124
Other improvements	9,828,670	10,566,355	30,616	35,910	9,859,286	10,602,265
Easements	266,439	277,982	-	-	266,439	277,982
Equipment	6,640,536	7,124,283	20,511	180,122	6,661,047	7,304,405
Vehicles and motor equipment	4,036,962	3,943,918	2,293,401	2,414,643	6,330,363	6,358,561
Infrastructure	101,135	104,308	-	-	101,135	104,308
Landfill	-	-	7,216,560	7,388,939	7,216,560	7,388,939
Total	\$ 62,099,680	\$ 62,133,285	\$ 13,063,349	\$ 13,523,183	\$ 75,163,029	\$ 75,656,468

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, 2016, Alamance County had total debt outstanding of \$55,324,922, 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	
	2016	2015	2016	2015	2016	2015
General obligation bonds, net	\$ 42,320,707	\$ 47,017,077	\$ -	\$ -	\$ 42,320,707	\$ 47,017,077
Installment financing agreements	4,462,418	6,772,144	-	-	4,462,418	6,772,144
Qualified school construction bonds	5,217,255	5,770,468	-	-	5,217,255	5,770,468
Capital leases	964,542	1,111,144	-	-	964,542	1,111,144
Recovery bonds	2,360,000	2,950,000	-	-	2,360,000	2,950,000
Total	\$ 55,324,922	\$ 63,620,833	\$ -	\$ -	\$ 55,324,922	\$ 63,620,833

Alamance County's total debt decreased by \$9,295,911 (13.04%) during the past fiscal year, due to payments made as scheduled on existing debt offset new financing.

As mentioned in the financial highlights section of this document, Alamance County maintained its Aa2 bond rating from Moody's Investors Service and received an increase to 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 \$998,456,148.

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

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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 as the economy recovers.
- Although the unemployment percentage has declined, it 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, 2017

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**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 \$5,685,986.

Budgeted expenditures in the General Fund are expected to increase by 3.57% to \$142,380,752. This increase in expenditures is due to implementation of the pay and class study, additional funding to the school system, added positions (mostly federally-funded positions), normal increases in supply costs spread throughout our departments, and capital outlay purchases.

**Business-Type Activities.** Rates for landfill services will remain the same. There is no expected change for landfill operations.

## Requests for Information

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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, 2016

	Component Units Alamance County					
	Governmental Activities	Business-Type Activities	Total Primary Government	Tourism Development Authority	Transportation Authority	Total Reporting Unit
<b>Assets:</b>						
Current assets:						
Cash and cash equivalents	\$ 38,732,031	\$ 19,628,059	\$ 58,360,090	\$ 703,578	\$ 65,052	\$ 59,128,720
Receivables, net	12,019,927	281,913	12,301,840	96,434	459,707	12,857,981
Prepaid items	-	7,466	7,466	-	16,292	23,758
Due from related party	-	-	-	-	45,906	45,906
Restricted cash and cash equivalents	3,541,036	-	3,541,036	-	-	3,541,036
Total current assets	54,292,994	19,917,438	74,210,432	800,012	586,957	75,597,401
Noncurrent assets:						
Net pension asset - ROD	364,440	-	364,440	-	-	364,440
Capital assets:						
Land and other assets not being depreciated	7,015,465	2,765,112	9,780,577	-	-	9,780,577
Other capital assets, net of depreciation	55,084,215	10,298,237	65,382,452	4,399	859,554	66,246,405
Total capital assets	62,099,680	13,063,349	75,163,029	4,399	859,554	76,026,982
Total Noncurrent assets	62,464,120	13,063,349	75,527,469	4,399	859,554	76,391,422
Total assets	116,757,114	32,980,787	149,737,901	804,411	1,446,511	151,988,823
<b>Deferred Outflows of Resources:</b>						
Contributions to pension plan in current fiscal year	2,578,840	52,391	2,631,231	-	-	2,631,231
Pension deferrals	508,733	3,493	512,226	-	-	512,226
Unamortized bond refunding charges	701,249	-	701,249	-	-	701,249
Total deferred outflows of resources	3,788,822	55,884	3,844,706	-	-	3,844,706
<b>Liabilities:</b>						
Current liabilities:						
Accounts payable and accrued expenses	2,041,790	117,849	2,159,639	3,085	211,710	2,374,434
Long-term liabilities:						
Net pension liability- LGERS	2,709,235	55,291	2,764,526	-	-	2,764,526
Due within one year	9,628,961	31,741	9,660,702	4,067	-	9,664,769
Due in more than one year	77,325,719	10,894,134	88,219,853	-	-	88,219,853
Total long-term liabilities	89,663,915	10,981,166	100,645,081	4,067	-	100,649,148
Total liabilities	91,705,705	11,099,015	102,804,720	7,152	211,710	103,023,582
<b>Deferred Inflows of Resources:</b>						
Pension deferrals	1,541,972	30,284	1,572,256	-	-	1,572,256
Unearned revenue	-	-	-	-	19,941	19,941
Prepaid taxes	133,102	-	133,102	-	-	133,102
Total deferred inflows of resources	1,675,074	30,284	1,705,358	-	19,941	1,725,299
<b>Net Position:</b>						
Net investment in capital assets	55,056,788	13,063,349	68,120,137	4,399	121,626	68,246,162
Restricted for:						
Stabilization by State statute	10,826,607	-	10,826,607	96,434	-	10,923,041
General government	897,185	-	897,185	-	-	897,185
Public safety	1,824,561	-	1,824,561	-	-	1,824,561
Economic and physical development	99,568	-	99,568	-	-	99,568
Human services	645,788	-	645,788	-	-	645,788
Tourism	-	-	-	696,426	-	696,426
Cultural and recreation	621,362	-	621,362	-	-	621,362
Unrestricted	(42,806,702)	8,844,023	(33,962,679)	-	1,093,234	(32,869,445)
Total net position	\$ 27,165,157	\$ 21,907,372	\$ 49,072,529	\$ 797,259	\$ 1,214,860	\$ 51,084,648

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

ALAMANCE COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 14,779,532	\$ 2,096,761	\$ 652,369	\$ -
Public safety	39,033,971	8,112,597	2,587,448	-
Transportation	802,261	-	-	-
Economic and physical development	2,903,127	818	-	-
Environmental protection	684,094	-	-	-
Human services	34,768,061	2,321,403	23,549,918	-
Cultural and recreational	3,710,378	281,442	-	-
Education	41,598,497	-	-	594,602
Interest on long-term debt	2,297,134	-	-	-
Total governmental activities	<u>140,577,055</u>	<u>12,813,021</u>	<u>26,789,735</u>	<u>594,602</u>
<b>Business-Type Activities:</b>				
Landfill	<u>3,677,384</u>	<u>4,122,341</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 144,254,439</u>	<u>\$ 16,935,362</u>	<u>\$ 26,789,735</u>	<u>\$ 594,602</u>
<b>Component Units:</b>				
Tourism Development Authority	\$ 437,336	\$ -	\$ -	\$ -
Transportation Authority	<u>2,018,281</u>	<u>537,606</u>	<u>1,356,531</u>	<u>373,588</u>
Total component units	<u>\$ 2,455,617</u>	<u>\$ 537,606</u>	<u>\$ 1,356,531</u>	<u>\$ 373,588</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, 2016

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	
<b>Primary Government:</b>						
<b>Governmental Activities:</b>						
General government	\$ (12,030,402)	\$ -	\$ (12,030,402)	\$ -	\$ -	\$ (12,030,402)
Public safety	(28,333,926)	-	(28,333,926)	-	-	(28,333,926)
Transportation	(802,261)	-	(802,261)	-	-	(802,261)
Economic and physical development	(2,902,309)	-	(2,902,309)	-	-	(2,902,309)
Environmental protection	(684,094)	-	(684,094)	-	-	(684,094)
Human services	(8,896,740)	-	(8,896,740)	-	-	(8,896,740)
Cultural and recreational	(3,428,936)	-	(3,428,936)	-	-	(3,428,936)
Education	(41,003,895)	-	(41,003,895)	-	-	(41,003,895)
Interest on long-term debt	(2,297,134)	-	(2,297,134)	-	-	(2,297,134)
Total governmental activities	(100,379,697)	-	(100,379,697)	-	-	(100,379,697)
<b>Business-Type Activities:</b>						
Landfill	-	444,957	444,957	-	-	444,957
Total primary government	(100,379,697)	444,957	(99,934,740)	-	-	(99,934,740)
<b>Component Units:</b>						
Tourism Development Authority	-	-	-	(437,336)	-	(437,336)
Transportation Authority	-	-	-	-	249,444	249,444
Total component units	-	-	-	(437,336)	249,444	(187,892)
<b>General Revenues:</b>						
Taxes:						
Property taxes, levied for general purposes	81,154,704	-	81,154,704	-	-	81,154,704
Local option sales tax	27,608,429	-	27,608,429	-	-	27,608,429
Other taxes and licenses	1,511,829	-	1,511,829	502,774	-	2,014,603
Investment earnings, unrestricted	430,146	11,011	441,157	454	14	441,625
Gain on disposal	-	-	-	-	9,529	9,529
Miscellaneous	-	-	-	4,005	-	4,005
Total general revenues	110,705,108	11,011	110,716,119	507,233	9,543	111,232,895
Change in net position	10,325,411	455,968	10,781,379	69,897	258,987	11,110,263
<b>Net Position:</b>						
Beginning of year - July 1	16,839,746	21,451,404	38,291,150	727,362	955,873	39,974,385
End of year - June 30	\$ 27,165,157	\$ 21,907,372	\$ 49,072,529	\$ 797,259	\$ 1,214,860	\$ 51,084,648

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, 2016

	Major			Nonmajor	
	General Fund	Schools Capital Projects Fund	Renovation and Repair Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and cash equivalents	\$ 35,682,120	\$ 188,048	\$ 97,153	\$ 1,896,474	\$ 37,863,795
Taxes receivable, net	1,837,162	-	-	227,927	2,065,089
Receivables, net	8,510,019	-	-	65,853	8,575,872
Due from other governments	1,318,511	-	-	51,542	1,370,053
Due from other funds	302,904	-	-	-	302,904
Restricted cash and cash equivalents	3,498,217	-	-	42,819	3,541,036
Total assets	<u>\$ 51,148,933</u>	<u>\$ 188,048</u>	<u>\$ 97,153</u>	<u>\$ 2,284,615</u>	<u>\$ 53,718,749</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 1,414,006	\$ -	\$ -	\$ 151,440	\$ 1,565,446
<b>Deferred Inflows of Resources:</b>					
Taxes receivable	1,837,162	-	-	227,927	2,065,089
Prepaid taxes	133,102	-	-	-	133,102
EMS receivable	1,432,974	-	-	-	1,432,974
Other accounts receivable	16,977	-	-	-	16,977
Total deferred inflows of resources	<u>3,420,215</u>	<u>-</u>	<u>-</u>	<u>227,927</u>	<u>3,648,142</u>
<b>Fund Balances:</b>					
Restricted:					
Stabilization by State statute	10,709,212	-	-	117,395	10,826,607
Restricted, all other	2,909,255	-	-	1,222,028	4,131,283
Committed	1,488,962	188,048	97,153	617,367	2,391,530
Unassigned	31,207,283	-	-	(51,542)	31,155,741
Total fund balance	<u>46,314,712</u>	<u>188,048</u>	<u>97,153</u>	<u>1,905,248</u>	<u>48,505,161</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 51,148,933</u>	<u>\$ 188,048</u>	<u>\$ 97,153</u>	<u>\$ 2,284,615</u>	<u>\$ 53,718,749</u>
<b>Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position:</b>					
Total fund balance, governmental funds					\$ 48,505,161
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.					62,099,680
Deferred charges on refunding reported in governmental activities are not reported in the funds.					701,249
Net pension asset - ROD					364,440
Net pension liability - LGERS					(2,709,235)
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.					2,578,840
Pension related deferrals					(1,033,237)
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.					97,899
Other long-term assets are not available to pay for current expenditures and, therefore, are deferred inflows of resources in the funds.					3,515,040
Long-term liabilities and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.					(86,954,680)
Net position of governmental activities					<u>\$ 27,165,157</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, 2016

	Major			Nonmajor	Total
	General	Schools	Renovation and	Other	Governmental
	Fund	Capital	Repair Projects	Governmental	Governmental
		Projects Fund	Fund	Funds	Funds
<b>Revenues:</b>					
Ad valorem taxes	\$ 76,525,837	\$ -	\$ -	\$ 4,878,440	\$ 81,404,277
Local option sales taxes	27,608,429	-	-	-	27,608,429
Other taxes and licenses	1,511,829	-	-	-	1,511,829
Unrestricted intergovernmental	258,829	-	-	-	258,829
Restricted intergovernmental	26,028,624	594,602	-	761,111	27,384,337
Permits and fees	1,376,273	-	-	-	1,376,273
Sales and services	10,535,924	-	-	-	10,535,924
Investment earnings	411,960	457	-	9,781	422,198
Miscellaneous	454,708	-	-	-	454,708
Total revenues	<u>144,712,413</u>	<u>595,059</u>	<u>-</u>	<u>5,649,332</u>	<u>150,956,804</u>
<b>Expenditures:</b>					
Current:					
General government	13,842,837	-	427,803	-	14,270,640
Public safety	30,336,574	-	-	5,462,214	35,798,788
Transportation	382,450	-	-	-	382,450
Environmental protection	102,011	-	-	-	102,011
Economic and physical development	1,976,579	-	-	-	1,976,579
Human services	35,717,984	-	-	-	35,717,984
Cultural and recreation	4,562,065	-	-	-	4,562,065
Education	39,829,370	1,661,050	-	-	41,490,420
Debt service:					
Principal	8,338,144	-	-	-	8,338,144
Interest and other charges	2,297,134	-	-	-	2,297,134
Issuance costs	-	6,597	-	-	6,597
Total expenditures	<u>137,385,148</u>	<u>1,667,647</u>	<u>427,803</u>	<u>5,462,214</u>	<u>144,942,812</u>
Revenues over (under) expenditures	<u>7,327,265</u>	<u>(1,072,588)</u>	<u>(427,803)</u>	<u>187,118</u>	<u>6,013,992</u>
<b>Other Financing Sources (Uses):</b>					
Transfers from other funds	457,007	-	207,965	480,344	1,145,316
Transfers to other funds	(480,343)	(457,007)	-	(207,966)	(1,145,316)
Capital lease obligations issued	543,603	-	-	-	543,603
Total other financing sources (uses)	<u>520,267</u>	<u>(457,007)</u>	<u>207,965</u>	<u>272,378</u>	<u>543,603</u>
Net change in fund balances	7,847,532	(1,529,595)	(219,838)	459,496	6,557,595
<b>Fund Balances:</b>					
Beginning of year - July 1	<u>38,467,180</u>	<u>1,717,643</u>	<u>316,991</u>	<u>1,445,752</u>	<u>41,947,566</u>
End of year - June 30	<u>\$ 46,314,712</u>	<u>\$ 188,048</u>	<u>\$ 97,153</u>	<u>\$ 1,905,248</u>	<u>\$ 48,505,161</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, 2016**

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)	\$ 6,557,595
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.	4,279,086
Loss on the disposal of capital assets during the year, not recognized on the modified accrual basis	(1,175,811)
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(3,136,880)
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	(249,573)
Change in deferred outflow - pension	959,926
Change in deferred inflows - pension	7,017,458
Change in net pension asset (liability)	(6,591,170)
Expenses related to compensated absences, OPEB, and Law Enforcement Officers' Separation Allowance that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(3,911,584)
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.	8,338,144
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.	(543,603)
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.	501,370
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.	(254,583)
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>(1,387,047)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 10,325,411</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, 2016**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Over/Under</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Ad valorem taxes	\$ 73,041,320	\$ 73,518,740	\$ 76,525,837	\$ 3,007,097
Local option sales taxes	23,882,397	23,882,397	27,608,429	3,726,032
Other taxes and licenses	998,500	1,175,156	1,511,829	336,673
Unrestricted intergovernmental	235,000	235,000	258,829	23,829
Restricted intergovernmental	23,676,059	25,936,135	26,028,624	92,489
Permits and fees	1,125,000	1,186,547	1,376,273	189,726
Sales and services	9,941,313	10,111,569	10,535,924	424,355
Investment earnings	345,061	345,061	411,960	66,899
Miscellaneous	273,719	304,161	454,708	150,547
Total revenues	<u>133,518,369</u>	<u>136,694,766</u>	<u>144,712,413</u>	<u>8,017,647</u>
<b>Expenditures:</b>				
Current:				
General government	13,778,401	15,910,040	13,842,837	2,067,203
Public safety	31,177,118	32,209,867	30,336,574	1,873,293
Transportation	395,263	395,263	382,450	12,813
Environmental protection	66,639	107,939	102,011	5,928
Economic and physical development	986,242	2,222,978	1,976,579	246,399
Human services	36,910,539	38,817,786	36,408,188	2,409,598
Cultural and recreational	4,376,845	4,896,706	4,562,065	334,641
Intergovernmental:				
Education	39,829,370	39,829,370	39,829,370	-
Debt service:				
Principal	7,647,940	7,647,940	7,647,940	-
Interest and other charges	2,300,134	2,300,134	2,297,134	3,000
Contingency	75,301	468	-	468
Total expenditures	<u>137,543,792</u>	<u>144,338,491</u>	<u>137,385,148</u>	<u>6,953,343</u>
Revenues over (under) expenditures	<u>(4,025,423)</u>	<u>(7,643,725)</u>	<u>7,327,265</u>	<u>14,970,990</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	457,006	485,706	457,007	(28,699)
Transfers( to) other funds	(400,000)	(480,343)	(480,343)	-
Capital lease obligations issued	-	550,000	543,603	(6,397)
Appropriated fund balance	3,968,417	7,088,362	-	(7,088,362)
Total other financing sources (uses)	<u>4,025,423</u>	<u>7,643,725</u>	<u>520,267</u>	<u>(7,123,458)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>7,847,532</u>	<u>\$ 7,847,532</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>38,467,180</u>	
End of year - June 30			<u>\$ 46,314,712</u>	

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

## ALAMANCE COUNTY, NORTH CAROLINA

STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016

	Major Enterprise Fund	Nonmajor Governmental Activities
	Landfill Fund	Internal Service Funds
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 19,628,059	\$ 868,236
Receivables, net	281,913	8,913
Prepaid warranty	7,466	-
Total current assets	19,917,438	877,149
Non-current assets:		
Capital assets:		
Land and other assets not depreciated	2,765,112	-
Other capital assets, net of depreciation	10,298,237	-
Total capital assets	13,063,349	-
Total assets	32,980,787	877,149
<b>Deferred Outflows of Resources:</b>		
Pension deferrals	3,493	-
Contributions to pension plan in current fiscal year	52,391	-
Total deferred outflows of resources	55,884	-
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable	117,849	476,346
Compensated absences payable	31,741	-
Due to other funds	-	302,904
Total current liabilities	149,590	779,250
Non-current liabilities:		
Net pension liability	55,291	-
Accrued landfill closure and post-closure care costs	10,301,064	-
Compensated absences payable	25,969	-
Other post-employment benefits	567,101	-
Total non-current liabilities	10,949,425	-
Total liabilities	11,099,015	779,250
<b>Deferred Inflows of Resources:</b>		
Pension deferrals	30,284	-
<b>Net Position:</b>		
Investment in capital assets	13,063,349	-
Unrestricted	8,844,023	97,899
Total net position	\$ 21,907,372	\$ 97,899

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, 2016**

	<b>Major Enterprise Fund</b>	<b>Nonmajor Governmental Activities</b>
	<b>Landfill Fund</b>	<b>Internal Service Funds</b>
<b>Operating Revenues:</b>		
Landfill user charges	\$ 3,696,910	\$ -
Insurance premiums	-	9,364,350
Miscellaneous	425,431	-
Total operating revenues	<u>4,122,341</u>	<u>9,364,350</u>
<b>Operating Expenses:</b>		
Administration	185,104	23,057
Operations:		
Salaries and benefits	1,006,818	10,326,052
Supplies and materials	83,602	-
Current obligations and services	531,412	-
State mandated MSW/C&D charges	195,863	-
Fixed charges and other expenses	551,216	410,236
Landfill closure and post-closure care costs	407,834	-
Depreciation	715,535	-
Total operating expenses	<u>3,677,384</u>	<u>10,759,345</u>
Operating income (loss)	444,957	(1,394,995)
<b>Non-Operating Revenues (Expenses):</b>		
Interest and investment revenue	<u>11,011</u>	<u>7,948</u>
Change in net position	455,968	(1,387,047)
<b>Net Position</b>		
Beginning of year - July 1	<u>21,451,404</u>	<u>1,484,946</u>
End of year - June 30	<u>\$ 21,907,372</u>	<u>\$ 97,899</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, 2016

	<b>Major Enterprise Fund</b>	<b>Nonmajor Governmental Activities</b>
	<b>Landfill Fund</b>	<b>Internal Service Funds</b>
<b>Cash Flows from Operating Activities:</b>		
Cash received from customers	\$ 4,121,593	\$ 9,364,356
Cash paid for goods and services	(1,532,949)	(10,781,773)
Cash paid to employees for services	(976,672)	-
Net cash provided (used) by operating activities	<u>1,611,972</u>	<u>(1,417,417)</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>		
Advances (to) from other funds	-	(741,773)
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>(741,773)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Acquisition and construction of capital assets	<u>(255,701)</u>	<u>-</u>
<b>Cash Flows from Investing Activities:</b>		
Interest on investments	<u>11,011</u>	<u>7,948</u>
Net increase (decrease) in cash and cash equivalents	1,367,282	(2,151,242)
<b>Cash and Cash Equivalents:</b>		
Beginning of year - July 1	<u>18,260,777</u>	<u>3,019,478</u>
End of year - June 30	<u>\$ 19,628,059</u>	<u>\$ 868,236</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>		
Operating income (loss)	<u>\$ 444,957</u>	<u>\$ (1,394,995)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	715,535	-
Pension expense	(29,703)	-
Landfill closure and post-closure care costs	407,834	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(748)	6
Increase (decrease) in accounts payable and accrued liabilities	(41,887)	(22,428)
(Increase) decrease in deferred outflows of resources for pensions	52,391	-
Increase (decrease) in accrued vacation pay	(10,474)	-
Increase (decrease) in OPEB payable	74,067	-
Total adjustments	<u>1,167,015</u>	<u>(22,422)</u>
Net cash provided (used) by operating activities	<u>\$ 1,611,972</u>	<u>\$ (1,417,417)</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, 2016

	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
<b>Assets:</b>		
Cash and cash equivalents	\$ 140,339	\$ -
Receivables, net	<u>-</u>	<u>761,054</u>
Total assets	<u>140,339</u>	<u>761,054</u>
<b>Liabilities and Net Position:</b>		
<b>Liabilities:</b>		
Intergovernmental payable	<u>-</u>	<u>761,054</u>
<b>Net Position:</b>		
Assets held in trust for beneficiaries	<u>140,339</u>	<u>-</u>
Total net position	<u>\$ 140,339</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, 2016

	<b>Private-Purpose Trust Funds</b>
<b>Additions:</b>	
Restricted intergovernmental	\$ 455,892
Permits and fees	38,295
Miscellaneous	863,530
Investment earnings	<u>46</u>
Total additions	<u>1,357,763</u>
 <b>Deductions:</b>	
Benefits	<u>1,396,695</u>
 Change in net position	 (38,932)
 <b>Net Position:</b>	
Beginning of year - July 1	<u>179,271</u>
 End of year - June 30	 <u>\$ 140,339</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, 2016

### 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) 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, 2016

- **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.



# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

*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.

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 three special revenue funds: Fire Districts Fund, Emergency Telephone System Fund, and the CDBG Grant 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.

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**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.

**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, 2016**

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 (excluding the CDBG Grant Fund), 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 and the CDBG Grant 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, 2016

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, 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 Cash 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 \$2,909,255 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 \$588,962 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, 2015. 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.

**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.

## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**Capital Assets.** Purchased or constructed capital assets are recorded at cost or estimated historical cost. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 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 as follows: furniture and equipment, \$5,000. 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
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 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 five items that meet the criterion for this category: prepaid taxes, taxes receivable, EMS receivable, other accounts receivable, and other pension 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

## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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)].

*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.

## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

*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, 2016 is as follows:

<u>Purpose</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>
<b>Restricted, All Other:</b>		
Public safety	\$ 645,352	\$ 1,222,028
General government	897,185	-
Human services	645,788	-
Economic and physical development	99,568	-
Cultural and recreation	621,362	-
Total	<u>\$ 2,909,255</u>	<u>\$ 1,222,028</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, 2016.

**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.

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

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

*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, 2016 is as follows:

<b>Purpose</b>	<b>General Fund</b>	<b>Schools Capital Projects Fund</b>	<b>Renovation and Repair Projects Fund</b>	<b>Other Governmental Funds</b>
Education	\$ -	\$ 188,048	\$ -	\$ 281,915
General government	-	-	97,153	335,452
Tax revaluation	588,962	-	-	-
Economic and physical development	900,000	-	-	-
Total	<u>\$ 1,488,962</u>	<u>\$ 188,048</u>	<u>\$ 97,153</u>	<u>\$ 617,367</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	\$ 46,314,712
<b>Less:</b>	
Stabilization by State statute	<u>10,709,212</u>
Total available fund balance	<u>\$ 35,605,500</u>



# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

	<b>General Fund</b>
Encumbrances	<u><u>\$ 2,027,729</u></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, 2016

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, 2016, the County's deposits had a carrying amount of \$20,380,040 and a bank balance of \$22,536,677. Of the bank balance, \$881,363 was covered by federal depository insurance, and \$21,655,314 in deposits was covered by collateral held under the Pooling Method.

At June 30, 2016, the County had \$4,672 cash on hand.

**Investments.** At June 30, 2016, the County had the following investments and maturities:

	<b>Valuation Measurement Method</b>	<b>Fair Value</b>	<b>Less Than 1</b>	<b>1-5</b>
Commercial Paper	Fair Value-Level 2	\$ 15,166,311	\$ 14,213,873	\$ 99,338
NCCMT - Cash Portfolio	Amortized Cost	21,467,477	-	-
NCCMT - Term Portfolio *	Fair Value-Level 1	5,022,965	5,022,965	-
Total		<u>\$ 41,656,753</u>	<u>\$ 19,236,838</u>	<u>\$ 99,338</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, 2016

**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, 2016, the County's investments were rated as follows:

	<b>Standard Poor's</b>	<b>Moody's Investor Services</b>
North Carolina Capital Management Trust Cash 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 are in DCAT commercial paper, Abbey National NA LLC commercial paper, and Credit Agricole commercial paper. These investments are 36.7%, 37.2%, and 26.1%, 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.

<b>Year of Levy</b>	<b>Tax</b>	<b>Interest</b>	<b>Total</b>
2013	\$ 2,091,483	\$ 496,727	\$ 2,588,210
2014	2,076,046	306,217	2,382,263
2015	2,179,463	125,319	2,304,782
2016	2,173,778	-	2,173,778
Total	<u>\$ 8,520,770</u>	<u>\$ 928,263</u>	<u>\$ 9,449,033</u>

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

### Note 4. Receivables

Receivables at the government-wide level at June 30, 2016, were as follows:

	<b>Government-Wide Financial Statements</b>		
	<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	
<b>Receivables:</b>			
Accounts	\$ 22,078,065	\$ 290,113	\$ 22,368,178
Taxes	2,800,723	-	2,800,723
Due from other governments	<u>1,370,053</u>	<u>-</u>	<u>1,370,053</u>
Gross receivables	26,248,841	290,113	26,538,954
Less: allowance for uncollectibles	<u>(14,228,914)</u>	<u>(8,200)</u>	<u>(14,237,114)</u>
Net total receivables	<u>\$ 12,019,927</u>	<u>\$ 281,913</u>	<u>\$ 12,301,840</u>

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

Local option sales tax	\$ 441,563
Other governments	<u>928,490</u>
Total	<u>\$ 1,370,053</u>

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

### Note 5. Capital Assets

#### Primary Government

Capital asset activity for the year ended June 30, 2016, was as follows:

	<u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2016</u>
<b>Governmental Activities:</b>				
<b>Non-Depreciable Capital Assets:</b>				
Land	\$ 3,107,666	\$ 740,520	\$ (122,937)	\$ 3,725,249
Library books	2,858,283	131,927	(254,245)	2,735,965
Library audio-visual materials	523,823	56,257	(25,829)	554,251
Total non-depreciable capital assets	<u>6,489,772</u>	<u>928,704</u>	<u>(403,011)</u>	<u>7,015,465</u>
<b>Depreciable Capital Assets:</b>				
Buildings	51,960,675	1,623,518	(54,601)	53,529,592
Other improvements	12,325,527	15,415	(293,920)	12,047,022
Easements	346,275	-	-	346,275
Equipment	6,967,002	1,029,721	(552,917)	7,443,806
Computer software	1,523,339	-	-	1,523,339
Computer equipment	7,179,868	-	-	7,179,868
Vehicles and motor equipment	8,481,824	681,728	(321,693)	8,841,859
Infrastructure	158,649	-	-	158,649
Total depreciable capital assets	<u>88,943,159</u>	<u>3,350,382</u>	<u>(1,223,131)</u>	<u>91,070,410</u>
<b>Less Accumulated Depreciation:</b>				
Buildings	(18,334,008)	(1,009,354)	24,243	(19,319,119)
Other improvements	(1,759,172)	(464,809)	5,629	(2,218,352)
Easements	(68,293)	(11,543)	-	(79,836)
Equipment	(5,450,088)	(927,338)	184,311	(6,193,115)
Computer software	(1,059,252)	(114,486)	-	(1,173,738)
Computer equipment	(2,036,586)	(103,038)	-	(2,139,624)
Vehicles and motor equipment	(4,537,906)	(503,139)	236,148	(4,804,897)
Infrastructure	(54,341)	(3,173)	-	(57,514)
Total accumulated depreciation	<u>(33,299,646)</u>	<u>\$ (3,136,880)</u>	<u>\$ 450,331</u>	<u>(35,986,195)</u>
Total depreciable capital assets, net	<u>55,643,513</u>			<u>55,084,215</u>
 Governmental activities capital assets, net	 <u>\$ 62,133,285</u>			 <u>\$ 62,099,680</u>

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

General government	\$ 564,638
Public safety	1,913,497
Economic and physical development	31,369
Human services	564,638
Cultural (parks and recreation)	<u>62,738</u>
Total depreciation expense	<u>\$ 3,136,880</u>

Capital asset activity for business-type activities for the year ended June 30, 2016, was as follows:

	<u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2016</u>
<b>Business-Type Activities:</b>				
<b>Landfill:</b>				
<b>Non-Depreciable Capital Assets:</b>				
Land	\$ 2,765,112	\$ -	\$ -	\$ 2,765,112
Construction in progress	-	-	-	-
Total non-depreciable capital assets	<u>2,765,112</u>	<u>-</u>	<u>-</u>	<u>2,765,112</u>
<b>Depreciable Capital Assets:</b>				
Landfill construction	13,429,788	-	-	13,429,788
Buildings	882,310	24,610	-	906,920
Other improvements	788,777	-	-	788,777
Fixtures and equipment	752,014	-	-	752,014
Vehicles and motor equipment	<u>4,599,322</u>	<u>231,091</u>	<u>-</u>	<u>4,830,413</u>
Total depreciable capital assets	<u>20,452,211</u>	<u>255,701</u>	<u>-</u>	<u>20,707,912</u>
<b>Less Accumulated Depreciation:</b>				
Landfill construction	(6,040,849)	(172,379)	-	(6,213,228)
Buildings	(143,853)	(25,918)	-	(169,771)
Other improvements	(752,867)	(5,294)	-	(758,161)
Fixtures and equipment	(571,892)	(159,611)	-	(731,503)
Vehicles and motor equipment	<u>(2,184,679)</u>	<u>(352,333)</u>	<u>-</u>	<u>(2,537,012)</u>
Total accumulated depreciation	<u>(9,694,140)</u>	<u>\$ (715,535)</u>	<u>\$ -</u>	<u>(10,409,675)</u>
Total capital assets being depreciated, net	<u>10,758,071</u>			<u>10,298,237</u>
Landfill capital assets, net	<u>\$ 13,523,183</u>			<u>\$ 13,063,349</u>

## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

#### Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2016 is composed of the following elements:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Capital assets	<u>\$ 62,099,680</u>	<u>\$ 13,063,349</u>
Total debt, gross	55,324,922	-
Long-term debt for assets not owned by the County	47,537,962	-
Capital related unspent debt proceeds	42,819	-
Less unamortized bond refunding charges	<u>701,249</u>	<u>-</u>
Total capital debt	<u>7,042,892</u>	<u>-</u>
Net investment in capital assets	<u>\$ 55,056,788</u>	<u>\$ 13,063,349</u>

#### Note 6. Accounts Payable and Accrued Liabilities

Payables and other accrued liabilities at the government-wide level at June 30, 2016, were as follows:

##### **Governmental Activities:**

Vendors	\$ 1,875,632
Due to other governments	12,086
Accrued payroll and related liabilities	<u>154,072</u>
Total governmental activities	<u>\$ 2,041,790</u>

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

Landfill vendors	<u>\$ 117,849</u>
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# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

### 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 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](http://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.



## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**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, 2016, was 7.15% of compensation for law enforcement officers and 6.76% 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 \$2,619,549 for the year ended June 30, 2016.

*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, 2016, the County reported a liability of \$2,764,526 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 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 .616%, which was an increase of .023% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, the County recognized pension expense of \$1,134,415. At June 30, 2016, 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 Outflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 649,821
Net difference between projected and actual earnings on pension plan investments	-	787,052
Changes in proportion and differences between County contributions and proportionate share of contributions	174,649	77,367
County contributions subsequent to the measurement date	<u>2,619,549</u>	<u>-</u>
Total	<u>\$ 2,794,198</u>	<u>\$ 1,514,240</u>

## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

\$2,619,549 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, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2017	\$ (897,209)
2018	(897,209)
2019	(895,955)
2020	1,350,782
2021	-
Thereafter	-
Total	<u>\$ (1,339,591)</u>

**Actuarial Assumptions.** The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	4.25 to 8.55 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, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2015 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%	2.2%
Global Equity	42.0%	5.8%
Real Estate	8.0%	5.2%
Alternatives	8.0%	9.8%
Credit	7.0%	6.8%
Inflation Protection	6.0%	3.4%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2014 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.

## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

*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>\$ 19,277,425</u>	<u>\$ 2,764,526</u>	<u>\$ (11,147,226)</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.

#### **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. 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. These funds are locally administered, and there is not a stand-alone financial report.

All full-time County law enforcement officers 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>126</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.

## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statements 67 and 68:

- Contributions to the pension plan and earnings on those contributions are irrevocable
- Pension plan assets are dedicated to providing benefits to plan members
- Pension plan assets are legally protected from creditors or employers, non-employer contributing entities, the plan administrator, and plan members.

*Method Used to Value Investments.* No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

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

The annual required contribution for the current year was determined as part of the December 31, 2014 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2014 was 16 years.

**Annual Pension Cost and Net Pension Obligation.** The County's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 292,651
Interest on net pension obligation	43,066
Adjustment to annual required contribution	<u>(75,689)</u>
Annual pension cost	260,028
Contributions made	<u>140,844</u>
Increase (decrease) in net pension obligation	119,184
Net pension obligation:	
Beginning of year - July 1	<u>861,316</u>
End of year - June 30	<u><u>\$ 980,500</u></u>

## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Three-Year Trend Information			
Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2014	\$ 193,155	67.75%	\$ 785,148
2015	228,968	66.73%	861,316
2016	260,028	54.16%	980,500

**Funded Status and Funding Progress.** As of December 31, 2015, the most recent actuarial valuation date, the plan was 0.00% percent funded. The actuarial accrued liability for benefits was \$3,113,201, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,113,201. The covered payroll (annual payroll of active employees covered by the plan) was \$5,510,031, and the ratio of the UAAL to the covered payroll was 56.50 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

A separate report was not issued for the plan.

#### **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, 2016 were \$436,593 which consisted of \$280,143 from the County and \$156,450 from the law enforcement officers.

## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

#### 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](http://www.osc.nc.gov).

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

**Contributions.** Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$11,682 for the year ended June 30, 2016.

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

At June 30, 2016, the County reported an asset of \$364,440 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 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, 2015, the County's proportion was 1.57%, which was a decrease of 2.03% from its proportion measured as of June 30, 2014.

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

For the year ended June 30, 2016, the County recognized pension expense of 93,226. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 1,774	\$ 6,033
Net difference between projected and actual earnings on pension plan investments	18,073	-
Changes in proportion and differences between County contributions and proportionate share of contributions	317,730	51,983
County contributions subsequent to the measurement date	<u>11,682</u>	<u>-</u>
Total	<u><u>\$ 349,259</u></u>	<u><u>\$ 58,016</u></u>

\$11,682 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, 2017. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<b><u>Year Ending June 30</u></b>	<b><u>Amount</u></b>
2017	\$ 104,247
2018	137,712
2019	32,734
2020	4,868
2021	-
Thereafter	<u>-</u>
Total	<u><u>\$ 279,561</u></u>



## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**Actuarial Assumptions.** The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	4.25 to 7.75 percent, including inflation and productivity factor
Investment rate of return	5.75 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, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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 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, 2014 is 2.2%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 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 3.19%. All rates of return and inflation are annualized.

**Discount Rate.** The discount rate used to measure the total pension liability was 5.75%. 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.

## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**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 5.75 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 (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	<b>1% Decrease (4.75%)</b>	<b>Discount Rate (5.75%)</b>	<b>1% Increase (6.75%)</b>
County's proportionate share of the net pension liability (asset)	<u>\$ (328,789)</u>	<u>\$ (364,440)</u>	<u>\$ (395,087)</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.

#### 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.

## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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 December 31, 2014, the date of the latest actuarial valuation:

	<b>General Employees</b>	<b>Law Enforcement Officers</b>
Retirees and dependents receiving benefits	408	n/a
Active plan members	813	118
Total	1,221	118

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.

## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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.

The current ARC rate is 13.5% of annual covered payroll. For the current year, the County contributed \$1,421,518 or 3.78%, 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 13.5% and 13.5% 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.

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**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 postemployment 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:

Annual required contribution	\$ 5,074,364
Interest on net OPEB obligation	986,068
Adjustments to annual required contribution	<u>935,567</u>
Annual OPEB cost (expense)	5,124,865
Contributions made	<u>1,421,518</u>
Increase (decrease) in net OPEB obligation	3,703,347
Net OPEB obligation:	
Beginning of year - July 1	<u>24,651,703</u>
End of year - June 30	<u><u>\$ 28,355,050</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 were as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2016	\$ 5,124,865	27.74%	\$ 28,355,050
2015	5,111,533	24.52%	24,651,703
2014	4,831,832	24.50%	20,793,309

**Fund Status and Funding Progress.** As of December 31, 2014, 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 \$69,985,046. The covered payroll (annual payroll of active employees covered by the plan) was \$37,595,773, and the ratio of the UAAL to the covered payroll was 186.2%.

## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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 December 31, 2014 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 3.75% inflation assumption. The medical cost trend rate varied between 7.50% 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, open basis. The remaining amortization period at December 31, 2014 was 30 years.

As of June 30, 2016, 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.

The \$8,287,763 reported for the Austin Quarter MSW Landfill Facility as landfill closure and postclosure care liability at June 30, 2016 represents a cumulative amount reported to date based on the use of 84.0% of the total estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$2,786,523 as the remaining estimated capacity is filled.

## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The \$1,486,610 reported for the Austin Quarter C&D Landfill Facility as landfill closure and post-closure care liability at June 30, 2016 represents a cumulative amount reported to date based on the use of 93.0% percent of the total estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post-closure care of \$282,470 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 2016. 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, 2016, the estimated closure and post-closure care liability for this facility amounted to \$526,691. 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, 2016 amounted to \$10,301,064.

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:

<b>Source</b>	<b>Amount</b>
Contributions to pension plan in current fiscal year	\$ 2,631,231
Pension deferrals	512,226
Unamortized bond refunding charges	701,249
Total	<u>\$ 3,844,706</u>

## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

<u>Source</u>	<u>Amount</u>
Property taxes receivable (General Fund)	\$ 1,837,162
Property taxes receivable (Nonmajor Governmental Funds)	227,927
EMS receivable (General Fund)	1,432,974
Other receivables (General Fund)	16,977
Prepaid property taxes	133,102
Differences between expected and actual experience:	
LGERS	649,821
ROD	6,033
Net difference between projected and actual earnings on pension plan investments:	787,052
LGERS	
Changes in proportion and differences between City's contributions and proportionate share of contributions:	
LGERS	77,367
ROD	51,983
Total	<u>\$ 5,220,398</u>

#### **Note 10. Contingent Liabilities**

At June 30, 2016, 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.



# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

### 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.

The following is a summary of the County's capital leases as of June 30, 2016:

<u>Date of Execution</u>	<u>Class of Property</u>	<u>Payment Duration (Years)</u>	<u>Annual Payment Amount</u>
April 1, 2013	Computer equipment	3	\$ 134,246
July 1, 2013	Computer equipment	3	7,720
October 1, 2013	Computer equipment	3	58,283
October 1, 2013	Computer equipment	3	5,731
January 1, 2014	Computer equipment	3	20,811
April 1, 2014	Computer equipment	3	37,875
July 1, 2014	Computer equipment	3	28,389
July 1, 2014	Computer equipment	3	12,082
October 1, 2014	Computer equipment	3	31,526
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
April 1, 2016	Computer equipment	3	53,956
October 1, 2011	Computer equipment	3	35,167
November 1, 2012	Computer equipment	5	217,784
April 1, 2012	Computer equipment	3	4,223
April 1, 2012	Computer equipment	3	41,580
October 1, 2012	Computer equipment	3	22,838
January 1, 2013	Computer equipment	3	11,241
April 1, 2013	Computer equipment	3	10,886
July 1, 2014	Computer equipment	5	15,197
October 1, 2014	Computer equipment	4	16,815
January 1, 2016	Computer equipment	4	112,266
October 1, 2012	Computer equipment	3	15,489
April 1, 2013	Computer equipment	3	18,960
October 1, 2013	Computer equipment	3	3,887
January 1, 2014	Computer equipment	3	3,546
April 1, 2014	Computer equipment	3	12,222
October 1, 2014	Computer equipment	6	9,779
July 1, 2015	Computer equipment	5	8,470
Total			<u>\$ 1,015,422</u>

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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	\$ 3,786,932	\$ 756,325	\$ 3,030,607
Equipment	42,653	14,569	28,084
Total	<u>\$ 3,829,585</u>	<u>\$ 770,894</u>	<u>\$ 3,058,691</u>

For Alamance County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2017	\$ 689,726
2018	322,085
2019	209,705
2020	37,191
Total minimum lease payments	1,258,707
Less: amount representing interest	294,165
Present value of the minum lease payments	<u>\$ 964,542</u>

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**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%	\$ 2,413,793
Installment note payable issued December 19, 2008 for equipment; due in semi-annual principal payments of \$339,361 through December 19, 2016; interest rate of 3.77%	323,625
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%	1,225,000
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>500,000</u>
Total governmental activities	<u>\$ 4,462,418</u>

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

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 1,474,391	\$ 125,718
2018	1,150,766	106,230
2019	1,150,766	60,088
2020	630,939	11,732
2021	55,556	603
Totals	<u>\$ 4,462,418</u>	<u>\$ 304,371</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, 2016 was \$5,217,255.

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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
2017	\$ 553,213	\$ 277,819
2018	553,213	247,558
2019	553,213	217,297
2020	553,213	187,036
2021	553,213	158,869
2022-2026	2,451,190	339,387
Totals	<u>\$ 5,217,255</u>	<u>\$ 1,427,966</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.

### 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, 2016 was \$32,735,000.

The County's general obligation bonds payable at June 30, 2016 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

\$ 4,875,000

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.

32,735,000

Total general obligation bonds

\$ 37,610,000

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Year Ending June 30	Government Activities	
	Principal	Interest
2017	\$ 4,350,000	\$ 1,525,379
2018	4,230,000	1,388,600
2019	4,330,000	1,240,800
2020	4,295,000	1,067,600
2021	4,330,000	895,800
2022-2026	16,075,000	1,862,300
Total	<u>\$ 37,610,000</u>	<u>\$ 7,980,479</u>

### 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, 2016, 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%.

\$ 1,200,000

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%.

1,160,000

Total Recovery Zone Economic Development Bonds

\$ 2,360,000

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Year Ending June 30	Governmental Activities Principal	Interest	Interest Rebate	Interest Cost After Rebate
2017	\$ 590,000	\$ 119,696	\$ 47,980	\$ 71,716
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>\$ 2,360,000</u>	<u>\$ 287,270</u>	<u>\$ 115,152</u>	<u>\$ 172,119</u>

The following is a summary of changes in the County's long-term obligations as of June 30, 2016:

	July 1, 2015	Additions	Retirements	June 30, 2016	Due In Less Than One Year
<b>Governmental Activities:</b>					
General obligation debt	\$ 41,805,000	\$ -	\$ 4,195,000	\$ 37,610,000	\$ 4,350,000
Premium on general obligation bonds	5,212,077	-	501,370	4,710,707	501,370
Qualified School Construction Bonds	5,770,468	-	553,213	5,217,255	553,213
Recovery bonds	2,950,000	-	590,000	2,360,000	590,000
Capitalized leases	1,111,144	543,603	690,205	964,542	586,267
Installment loans	6,772,144	-	2,309,726	4,462,418	1,474,391
LEO separation allowance	861,316	260,028	140,844	980,500	-
Net pension liability (LGERS)	-	2,709,235	-	2,709,235	-
Compensated absences	2,698,189	1,647,124	1,484,004	2,861,309	1,573,720
OPEB liability	24,158,669	5,050,798	1,421,518	27,787,949	-
Total governmental activities	<u>\$ 91,339,007</u>	<u>\$ 10,210,788</u>	<u>\$ 11,885,880</u>	<u>\$ 89,663,915</u>	<u>\$ 9,628,961</u>
	July 1, 2015	Additions	Retirements	June 30, 2016	Due In Less Than One Year
<b>Business-Type Activities:</b>					
Accrued landfill closure and post-closure care cost	\$ 9,893,231	\$ 407,833	\$ -	\$ 10,301,064	\$ -
Compensated absences	68,184	27,027	37,501	57,710	31,741
Net pension liability (LGERS)	-	55,291	-	55,291	-
OPEB liability	493,034	74,067	-	567,101	-
Total business-type activities	<u>\$ 10,454,449</u>	<u>\$ 564,218</u>	<u>\$ 37,501</u>	<u>\$ 10,981,166</u>	<u>\$ 31,741</u>

## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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 \$998,456,148 at June 30, 2016.

**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 repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2016, 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	\$ 302,904	\$ -	
Internal Service Fund	\$ -	\$ 302,904	Cash advance

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

### Transfers To/From Other Funds

Transfers in (out) for the year ended June 30, 2016 are summarized below:

	<u>Interfund Transfers</u>	
	<u>From</u>	<u>To</u>
General Fund	\$ 480,343	\$ 457,007
Major Schools Capital Project Fund	457,007	-
Major Renovation and Repair Capital Project Fund	-	207,965
Nonmajor Capital Project Funds	<u>207,966</u>	<u>480,344</u>
Total interfund transfers	<u>\$ 1,145,316</u>	<u>\$ 1,145,316</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 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



## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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 \$1,000,000 during the fiscal year ended June 30, 2016. Alamance County is currently in a 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 have been 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 \$2,971,621 and \$440,000 to the Community College for operating and repair and maintenance, respectively, during the fiscal year ended June 30, 2016. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2016. 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, 2016.

## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**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, 2016.

#### **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.

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 \$323,952 reported in the Fund at June 30, 2016 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).

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

<b>Year Ended June 30</b>	<b>Claims Liability Beginning of Year</b>	<b>Current Year Claims (Including IBNR's)</b>	<b>Claims Payment</b>	<b>Claims Liability End of Year</b>
2005	\$ 456,445	\$ 6,834,814	\$ (6,807,356)	\$ 483,903
2006	483,903	6,883,601	(6,776,659)	590,845
2007	590,845	5,523,707	(5,829,075)	285,477
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

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, 2016

#### 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.

	<b>Federal</b>	<b>State</b>
Temporary Assistance to Needy Families	\$ 737,028	\$ 35,864
Medicaid	120,051,632	64,828,226
NC Health Choice	2,118,757	667,298
Foster Care Title IV-E	375,888	101,211
Adoption Assistance	886,644	229,845
WIC	3,662,610	-
Refugee and Entrant Assistance	3,317	-
Chafee Foster Care Independence Program	9,029	-
CWS Adopt Subsidy & Vendor	-	278,093
State Foster Home	-	101,325
SFHF Maximization	-	62,205
SC/SA Domiciliary Care	-	1,130,699
FC at Risk Maximazation	-	6,644
Total	<u>\$ 127,844,905</u>	<u>\$ 67,441,410</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.

***REQUIRED SUPPLEMENTAL FINANCIAL DATA***

Alamance County, North Carolina  
Financial Statements and Schedules

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## ALAMANCE COUNTY, NORTH CAROLINA

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2016**

## 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 Percentage Covered Payroll ((b-a)/c)
12/31/2015	\$ -	\$ 3,113,201	\$ 3,113,201	0.00%	\$ 5,510,031	56.50%
12/31/2014	-	2,097,422	2,097,422	0.00%	5,451,785	38.47%
12/31/2013	-	1,848,392	1,848,392	0.00%	5,022,219	36.80%
12/31/2012	-	1,807,038	1,807,038	0.00%	5,125,743	35.25%
12/31/2011	-	1,788,657	1,788,657	0.00%	5,125,559	34.90%
12/31/2010	-	1,784,505	1,784,505	0.00%	5,245,894	34.02%
12/31/2009	-	1,867,861	1,867,861	0.00%	5,149,076	36.28%
12/31/2008	-	1,385,105	1,385,105	0.00%	4,884,168	28.36%
12/31/2007	-	1,287,151	1,287,151	0.00%	4,575,350	28.13%

## Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Percentage Contributed
2016	\$ 292,651	48.13%
2015	256,037	59.68%
2014	215,904	60.61%
2013	210,495	72.24%
2012	205,246	79.07%
2011	208,670	73.33%
2010	157,549	91.60%
2009	145,065	93.50%
2008	130,767	85.40%

**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	12/31/2015
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar closed
Remaining amortization period	15 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	3.57%
Medical cost trend	3.50% - 7.35%
Includes inflation at	3.00%
Cost-of-living adjustments	None

## ALAMANCE COUNTY, NORTH CAROLINA

OTHER POST-EMPLOYMENT BENEFITS  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2016

## 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)
12/31/2014	\$ -	\$ 69,985,046	\$ 69,985,046	0.00%	\$ 37,595,773	186.20%
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%
12/31/2008	-	59,875,594	59,875,594	0.00%	34,546,260	173.32%

## Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Percentage Contributed
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%
2009	6,026,340	65.70%

## 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	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return	4.00%
Medical cost trend rate	7.50% - 5.00%
Includes inflation at	3.00%
Cost-of-living adjustments	None



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

<b>Local Government Employees' Retirement System</b>			
	<b>2016</b>	<b>2015</b>	<b>2014</b>
Alamance's proportion of the net pension liability (asset) (%)	0.61599%	0.59339%	0.614800%
Alamance's proportion of the net pension liability (asset) (\$)	\$ 2,764,526	\$ (3,499,497)	\$ 7,410,701
Alamance's covered-employee payroll	\$ 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	7.40%	( 9.76%)	21.21%
Plan fiduciary net position as a percentage of the total pension liability**	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 THREE FISCAL YEARS\***

<b>Local Government Employees' Retirement System</b>			
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Contractually required contribution	\$ 2,619,549	\$ 2,150,580	\$ 2,093,085
Contributions in relation to the contractually required contribution	<u>2,619,549</u>	<u>2,150,580</u>	<u>2,093,085</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Alamance County's covered-employee payroll	\$ 38,765,701	\$ 37,352,331	\$ 35,862,828
Contributions as a percentage of covered-employee payroll	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 THREE FISCAL YEARS\***

<b>Register of Deeds' Supplemental Pension Fund</b>			
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
County's proportion of the net pension liability (asset) %	1.573%	3.604%	2.955%
County's proportionate share of the net pension liability (asset)	\$ (364,440)	\$ (816,868)	\$ (631,154)
County's covered-employee payroll	\$ 60,500	\$ 53,922	\$ 45,560
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(602.38%)	(1,514.91%)	(1,385.32%)
Plan fiduciary net position as a percentage of the total pension liability	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 THREE FISCAL YEARS\*****Register of Deeds' Supplemental Pension Fund**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 11,682	\$ 12,583	\$ 29,424
Contributions in relation to the contractually required contribution	<u>11,682</u>	<u>12,583</u>	<u>29,424</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 61,572	\$ 60,500	\$ 53,922
Contributions as a percentage of covered-employee payroll	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.

## ***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, 2016

#### WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Ad valorem taxes:				
Taxes, net of discounts	\$ 73,218,740	\$ 76,177,587	\$ 2,958,847	\$ 67,891,769
Penalties and interest	300,000	348,250	48,250	338,119
Total	<u>73,518,740</u>	<u>76,525,837</u>	<u>3,007,097</u>	<u>68,229,888</u>
Local option sales tax:				
Article 39 and 44	10,752,740	12,992,399	2,239,659	11,624,898
Article 40.5 percent	6,338,454	6,660,042	321,588	6,253,222
Article 42.5 percent	6,791,203	7,955,988	1,164,785	7,201,953
Total	<u>23,882,397</u>	<u>27,608,429</u>	<u>3,726,032</u>	<u>25,080,073</u>
Other taxes and licenses:				
Real estate transfer taxes	425,000	639,085	214,085	567,820
Privilege licenses	5,000	7,422	2,422	7,626
Local occupancy tax	683,156	777,544	94,388	690,232
Rental vehicle tax	62,000	87,778	25,778	80,224
Total	<u>1,175,156</u>	<u>1,511,829</u>	<u>336,673</u>	<u>1,345,902</u>
Unrestricted intergovernmental revenues:				
Beer and wine tax	<u>235,000</u>	<u>258,829</u>	<u>23,829</u>	<u>277,018</u>
Restricted intergovernmental revenues:				
State	4,696,526	4,769,060	72,534	5,461,282
Federal	17,897,277	18,527,356	630,079	17,604,503
Court facilities fees	200,000	215,902	15,902	221,671
ABC bottle tax	34,696	37,600	2,904	35,837
Other	3,107,636	2,478,706	(628,930)	1,469,170
Total	<u>25,936,135</u>	<u>26,028,624</u>	<u>92,489</u>	<u>24,792,463</u>
Permits and fees:				
Building permits and inspection fees	486,547	644,283	157,736	559,991
Register of Deeds	700,000	731,990	31,990	705,928
Total	<u>1,186,547</u>	<u>1,376,273</u>	<u>189,726</u>	<u>1,265,919</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, 2016

#### WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
Sales and services:				
Rents, concessions, and fees	3,379,563	3,244,353	(135,210)	4,120,474
Nuisance abatement	10,000	250	(9,750)	-
Jail and Sheriff fees	2,692,006	2,876,170	184,164	3,053,500
Ambulance fees	4,030,000	4,415,151	385,151	4,096,055
Total	10,111,569	10,535,924	424,355	11,270,029
<b>Investment Earnings</b>	345,061	411,960	66,899	360,531
<b>Miscellaneous</b>	304,161	454,708	150,547	477,661
Total revenues	136,694,766	144,712,413	8,017,647	133,099,484
<b>Expenditures:</b>				
Current:				
General government:				
Governing body	232,319	229,134	3,185	213,233
County Manager	2,287,279	2,150,725	136,554	1,975,640
Administrative services/planning	170,541	145,295	25,246	113,574
Human Resources	382,517	358,307	24,210	389,113
Finance	1,057,498	694,264	363,234	580,011
Purchasing	123,996	120,955	3,041	109,450
Tax administration	2,280,020	2,177,477	102,543	1,774,754
Revaluation	517,676	279,253	238,423	301,594
GIS mapping	243,358	205,802	37,556	236,281
Legal	471,492	430,038	41,454	499,879
Facility fees	314,526	299,665	14,861	239,611
Elections	897,318	711,192	186,126	589,991
Register of Deeds	756,127	656,991	99,136	591,775

ALAMANCE COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
Central services:				
Management information systems	4,158,989	3,482,449	676,540	2,921,536
Central permitting	9,850	-	9,850	48
Printing	53,125	34,704	18,421	55,092
Central garage	13,565	5,770	7,795	8,892
Public buildings	1,939,844	1,860,816	79,028	1,654,041
Total	15,910,040	13,842,837	2,067,203	12,254,515
Public safety:				
Judicial services	25,202	16,684	8,518	12,955
Sheriff	10,855,176	10,197,513	657,663	9,604,165
School Resource Officers	496,197	492,199	3,998	415,173
County jail	9,804,238	9,271,888	532,350	9,003,096
Emergency management	77,189	57,063	20,126	110,245
Emergency service	396,624	366,339	30,285	411,970
Fire service	58,041	17,987	40,054	102,061
SARA management	253,838	132,202	121,636	183,331
Inspections	735,127	669,102	66,025	606,243
Emergency Medical Service	6,731,177	6,499,635	231,542	6,157,679
Animal shelter	369,313	369,313	-	342,621
Central communications	2,166,545	2,025,999	140,546	1,802,030
Other	241,200	220,650	20,550	156,824
Total	32,209,867	30,336,574	1,873,293	28,908,393
Transportation:				
Transportation services	142,942	130,129	12,813	142,942
Airport	252,321	252,321	-	252,321
Total	395,263	382,450	12,813	395,263
Environmental Protection	107,939	102,011	5,928	110,590

# ALAMANCE COUNTY, NORTH CAROLINA

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

#### IN FUND BALANCE - BUDGET AND ACTUAL

#### FOR THE YEAR ENDED JUNE 30, 2016

#### WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
Economic and Physical Development:				
Industrial development	910,337	760,337	150,000	211,646
Cooperative Extension	351,755	358,517	(6,762)	287,785
Soil conservation	217,576	215,797	1,779	218,548
Tourism Development Authority	507,156	502,774	4,382	482,416
Other	236,154	139,154	97,000	-
Total	2,222,978	1,976,579	246,399	1,200,395
Human services:				
Health	7,964,207	6,952,964	1,011,243	7,235,969
WIC Program	833,299	789,706	43,593	849,260
Dental Clinic Program	1,070,469	917,701	152,768	1,002,766
Social Services	25,403,285	24,440,302	962,983	24,017,872
Home and Community Care	1,124,253	1,100,639	23,614	1,077,826
Veterans Service Office	147,400	142,749	4,651	126,459
Office of Juvenile Justice Programs	343,638	342,528	1,110	337,903
Mental Health Authority	1,216,903	1,216,903	-	1,265,748
Other	714,332	504,696	209,636	251,891
Total	38,817,786	36,408,188	2,409,598	36,165,694
Cultural and recreational:				
Recreation	1,966,154	1,680,797	285,357	1,422,933
Historic Properties Commission	2,000	13	1,987	2,460
Library	2,782,740	2,735,443	47,297	2,383,891
Other	145,812	145,812	-	269,770
Total	4,896,706	4,562,065	334,641	4,079,054
Education:				
Alamance-Burlington School System:				
Current expense	36,417,749	36,417,749	-	33,117,749
Repair and maintenance	-	-	-	250,000
Alamance Community College:				
Current expense	2,971,621	2,971,621	-	2,830,115
Repair and maintenance	440,000	440,000	-	240,000
Total	39,829,370	39,829,370	-	36,437,864

# ALAMANCE COUNTY, NORTH CAROLINA

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

#### IN FUND BALANCE - BUDGET AND ACTUAL

#### FOR THE YEAR ENDED JUNE 30, 2016

#### WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
Debt Service:				
Principal retirement	7,647,940	7,647,940	-	8,285,140
Interest and fees	2,300,134	2,297,134	3,000	2,550,349
Total	9,948,074	9,945,074	3,000	10,835,489
Contingency	468	-	468	-
Total expenditures	144,338,491	137,385,148	6,953,343	130,387,257
Revenues over (under) expenditures	(7,643,725)	7,327,265	14,970,990	2,712,227
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds:				
Capital project funds	457,006	457,007	1	460,325
Other funds	28,700	-	(28,700)	-
Transfers to other funds:				
Special revenue funds	(1,436)	(1,436)	-	(52,312)
Capital project funds	(278,907)	(278,907)	-	(267,760)
Internal Service Fund	(200,000)	(200,000)	-	(150,000)
Total net transfers	5,363	(23,336)	(28,699)	(9,747)
Capital lease obligations issued	550,000	543,603	(6,397)	440,762
Sale of capital assets	-	-	-	3,902,970
Appropriated fund balance	7,088,362	-	(7,088,362)	-
Total other financing sources (uses)	7,643,725	520,267	(7,123,458)	4,333,985
Net change in fund balance	\$ -	7,847,532	\$ 7,847,532	7,046,212
<b>Fund Balance:</b>				
Beginning of year - July 1		38,467,180		31,420,968
End of year - June 30		<u>\$46,314,712</u>		<u>\$ 38,467,180</u>

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, 2016

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Revenues:</b>					
Restricted intergovernmental:					
Public School Building Capital Fund Lottery	\$ 14,976,295	\$ 13,077,075	\$ 547,468	\$ 13,624,543	\$ (1,351,752)
Public School Capital Building Fund	32,815,966	32,763,863	47,134	32,810,997	(4,969)
Local funds	3,055,373	3,055,373	-	3,055,373	-
Total restricted intergovernmental	50,847,634	48,896,311	594,602	49,490,913	(1,356,721)
Investment earnings	5,174,883	3,949,795	457	3,950,252	(1,224,631)
Sales tax refund	577,254	577,254	-	577,254	-
Total revenues	56,599,771	53,423,360	595,059	54,018,419	(2,581,352)
<b>Expenditures:</b>					
Sellers-Gunn Center	654,776	654,776	-	654,776	-
Five-Year Capital Improvement Plan	11,735,575	11,675,780	59,795	11,735,575	-
AO Elementary School	1,153,431	1,130,809	(1,210)	1,129,599	23,832
2006 Bond Reallocation projects	3,967,068	945,131	1,510,791	2,455,922	1,511,146
Cummings High School	168,269	15,107	-	15,107	153,162
Eastern High School	23,549	16,748	-	16,748	6,801
Elon Elementary	97,500	91,269	1,210	92,479	5,021
Graham High School	130,743	107,589	-	107,589	23,154
Southern High School	226,757	17,673	6,310	23,983	202,774
Western High School	178,926	13,969	4,824	18,793	160,133
Williams High School	55,334	29,179	-	29,179	26,155
Woodlawn Middle School	252,512	57,500	-	57,500	195,012
South Graham Elementary	60,500	25,795	30,988	56,783	3,717
Broadview Middle School	185,613	-	-	-	185,613
Graham Middle School	7,450	-	-	-	7,450
South Mebane Elementary	60,000	-	-	-	60,000
Completed projects	159,370,346	158,896,392	48,342	158,944,734	425,612
School Bond interest costs	5,083,734	5,083,734	-	5,083,734	-
School debt issue costs	1,029,938	1,079,929	6,597	1,086,526	(56,588)
Total expenditures	184,442,021	179,841,380	1,667,647	181,509,027	2,932,994

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, 2016

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues over (under) expenditures	(127,842,250)	(126,418,020)	(1,072,588)	(127,490,608)	351,642
<b>Other Financing Sources (Uses):</b>					
Transfers in:					
From General Fund	8,636,989	8,636,989	-	8,636,989	-
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	(16,232,613)	(15,775,606)	(457,007)	(16,232,613)	-
To Schools Capital Reserve Fund	(3,785,784)	(3,785,784)	-	(3,785,784)	-
Long-term debt issued	143,557,914	143,394,320	-	143,394,320	(163,594)
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)	127,842,250	128,135,663	(457,007)	127,678,656	(163,594)
Net change in fund balance	\$ -	\$ 1,717,643	(1,529,595)	\$ 188,048	\$ 188,048
<b>Fund Balance:</b>					
Beginning of year - July 1			1,717,643		
End of year - June 30			\$ 188,048		

# 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, 2016

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Investment earnings - Group A	\$ 20,862	\$ 22,577	\$ -	\$ 22,577	\$ 1,715
Investment earnings - Group B	17,757	20,821	-	20,821	3,064
Total revenues	38,619	43,398	-	43,398	4,779
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, 2016**

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
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	17,900	-	-	-	17,900
Total Elections HVAC	17,900	-	-	-	17,900

**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, 2016**

		<b>Actual</b>			
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Variance Over/Under</b>
Jail Air Handler:					
Construction	10,159	10,159	-	10,159	-
Total Jail Air Handler	10,159	10,159	-	10,159	-
Register of Deeds Carpet:					
Construction	19,081	-	19,081	19,081	-
Total Register of Deeds Carpet	19,081	-	19,081	19,081	-
Door Security System:					
Construction	29,000	29,000	-	29,000	-
Total Door Security System	29,000	29,000	-	29,000	-
County Office 2nd Floor HVAC:					
Construction	77,894	77,875	19	77,894	-
Total County Office 2nd Floor HVAC	77,894	77,875	19	77,894	-
Jail Roof:					
Construction	267,760	-	248,120	248,120	19,640
Total Jail Roof	267,760	-	248,120	248,120	19,640
Asbestos Training:					
Contracted services	2,248	-	2,248	2,248	-
Total Asbestos Training	2,248	-	2,248	2,248	-
Probation:					
Construction	4,800	-	4,800	4,800	-
Total Probation	4,800	-	4,800	4,800	-
Human Services Elevator:					
Construction	21,353	-	21,353	21,353	-
Total Human Services Elevator	21,353	-	21,353	21,353	-
EMS HVAC:					
Construction	8,075	-	8,075	8,075	-
Total EMS HVAC	8,075	-	8,075	8,075	-

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, 2016

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
District Attorney:					
Construction	37,843	-	36,570	36,570	1,273
Total District Attorney	37,843	-	36,570	36,570	1,273
Court Services Roof:					
Construction	141,098	-	87,537	87,537	53,561
Total Court Services Roof	141,098	-	87,537	87,537	53,561
Completed projects	9,003,513	9,003,513	-	9,003,513	-
Total expenditures	10,249,553	9,729,376	427,803	10,157,179	92,374
Revenues over (under) expenditures	(10,210,934)	(9,685,978)	(427,803)	(10,113,781)	97,153
<b>Other Financing Sources (Uses):</b>					
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	1,620,905	1,412,940	207,965	1,620,905	-
Total other financing sources (uses)	10,210,934	10,002,969	207,965	10,210,934	-
Net change in fund balance	\$ -	\$ 316,991	(219,838)	\$ 97,153	\$ 97,153
<b>Fund Balance:</b>					
Beginning of year - July 1			316,991		
End of year - June 30			\$ 97,153		

***NONMAJOR GOVERNMENTAL FUNDS***

**ALAMANCE COUNTY, NORTH CAROLINA**

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2016**

	<b>Special Revenue Funds</b>		
	<b>Emergency Telephone System Fund</b>	<b>Fire Districts Funds</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 1,279,107	\$ -	\$ 1,279,107
Taxes receivable, net	-	227,927	227,927
Accounts receivable, net	63,788	-	63,788
Due from other governments	-	51,542	51,542
Restricted cash and cash equivalents	-	-	-
<b>Total assets</b>	<b>\$ 1,342,895</b>	<b>\$ 279,469</b>	<b>\$ 1,622,364</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 99,898	\$ 51,542	\$ 151,440
<b>Deferred Inflows of Resources:</b>			
Taxes receivable	-	227,927	227,927
<b>Fund Balances:</b>			
Restricted:			
Stabilization by State statute	63,788	51,542	115,330
Restricted, all other	1,179,209	-	1,179,209
Committed	-	-	-
Unassigned	-	(51,542)	(51,542)
<b>Total fund balances</b>	<b>1,242,997</b>	<b>-</b>	<b>1,242,997</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,342,895</b>	<b>\$ 279,469</b>	<b>\$ 1,622,364</b>



ALAMANCE COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2016

	Capital Projects Funds				Total Nonmajor Governmental Funds
	Capital Reserve Funds	Alamance Community College Fund	800 MHZ Emergency Equipment Fund	Total	
<b>Assets:</b>					
Cash and cash equivalents	\$ 335,452	\$ 281,915	\$ -	\$ 617,367	\$ 1,896,474
Taxes receivable, net	-	-	-	-	227,927
Accounts receivable, net	-	-	2,065	2,065	65,853
Due from other governments	-	-	-	-	51,542
Restricted cash and cash equivalents	-	-	42,819	42,819	42,819
Total assets	<u>\$ 335,452</u>	<u>\$ 281,915</u>	<u>\$ 44,884</u>	<u>\$ 662,251</u>	<u>\$ 2,284,615</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 151,440
<b>Deferred Inflows of Resources:</b>					
Taxes receivable	-	-	-	-	227,927
<b>Fund Balances:</b>					
Restricted:					
Stabilization by State statute	-	-	2,065	2,065	117,395
Restricted, all other	-	-	42,819	42,819	1,222,028
Committed	335,452	281,915	-	617,367	617,367
Unassigned	-	-	-	-	(51,542)
Total fund balances	<u>335,452</u>	<u>281,915</u>	<u>44,884</u>	<u>662,251</u>	<u>1,905,248</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 335,452</u>	<u>\$ 281,915</u>	<u>\$ 44,884</u>	<u>\$ 662,251</u>	<u>\$ 2,284,615</u>

ALAMANCE COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue Funds			
	Emergency Telephone System Fund	Fire Districts Funds	CDBG Grant Fund	Total
<b>Revenues:</b>				
Ad valorem taxes	\$ -	\$ 4,878,440	\$ -	\$ 4,878,440
Restricted intergovernmental	761,111	-	-	761,111
Investment earnings	7,502	-	-	7,502
Total revenues	<u>768,613</u>	<u>4,878,440</u>	<u>-</u>	<u>5,647,053</u>
<b>Expenditures:</b>				
Current:				
Public safety	<u>583,774</u>	<u>4,878,440</u>	<u>-</u>	<u>5,462,214</u>
Revenues over (under) expenditures	<u>184,839</u>	<u>-</u>	<u>-</u>	<u>184,839</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	1,436	1,436
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,436</u>	<u>1,436</u>
Net change in fund balances	184,839	-	1,436	186,275
<b>Fund Balances:</b>				
Beginning of year - July 1	<u>1,058,158</u>	<u>-</u>	<u>(1,436)</u>	<u>1,056,722</u>
End of year - June 30	<u>\$ 1,242,997</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,242,997</u>

ALAMANCE COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2016

	Capital Projects Funds				Total Nonmajor Governmental Funds
	Capital Reserve Funds	Alamance Community College Fund	800 MHZ Emergency Equipment Fund	Total	
<b>Revenues:</b>					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ 4,878,440
Restricted intergovernmental	-	-	-	-	761,111
Investment earnings	2,279	-	-	2,279	9,781
Total revenues	2,279	-	-	2,279	5,649,332
<b>Expenditures:</b>					
Current:					
Public safety	-	-	-	-	5,462,214
Revenues over (under) expenditures	2,279	-	-	2,279	187,118
<b>Other Financing Sources (Uses):</b>					
Transfers in	478,908	-	-	478,908	480,344
Transfers out	(207,966)	-	-	(207,966)	(207,966)
Total other financing sources (uses)	270,942	-	-	270,942	272,378
Net change in fund balances	273,221	-	-	273,221	459,496
<b>Fund Balances:</b>					
Beginning of year - July 1	62,231	281,915	44,884	389,030	1,445,752
End of year - June 30	\$ 335,452	\$ 281,915	\$ 44,884	\$ 662,251	\$ 1,905,248

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, 2016**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015**

	<b>2016</b>			<b>2015</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>	<b>Actual</b>
<b>Revenues:</b>				
Restricted intergovernmental	\$ 761,111	\$ 761,111	\$ -	\$ 843,903
Investment earnings	-	7,502	7,502	1,087
Total revenues	<u>761,111</u>	<u>768,613</u>	<u>7,502</u>	<u>844,990</u>
<b>Expenditures:</b>				
Implemental functions	100,000	41,138	58,862	40,815
Telephone	181,835	99,105	82,730	303,562
Furniture	-	-	-	115,434
Software maintenance	144,800	141,379	3,421	194,581
Hardware maintenance	501,816	293,345	208,471	30,623
Training	16,377	8,807	7,570	4,734
Capital outlay	<u>129,000</u>	<u>-</u>	<u>129,000</u>	<u>-</u>
Total expenditures	<u>1,073,828</u>	<u>583,774</u>	<u>490,054</u>	<u>689,749</u>
Revenues over (under) expenditures	<u>(312,717)</u>	<u>184,839</u>	<u>497,556</u>	<u>155,241</u>
<b>Other Financing Sources (Uses):</b>				
Transfer from General Fund	-	-	-	52,312
Appropriated fund balance	<u>312,717</u>	<u>-</u>	<u>(312,717)</u>	<u>-</u>
Total other financing sources (uses)	<u>312,717</u>	<u>-</u>	<u>(312,717)</u>	<u>52,312</u>
Net change in fund balance	<u>\$ -</u>	<u>184,839</u>	<u>\$ 184,839</u>	<u>207,553</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>1,058,158</u>		<u>850,605</u>
End of year - June 30		<u>\$ 1,242,997</u>		<u>\$ 1,058,158</u>

ALAMANCE COUNTY, NORTH CAROLINA

FIRE DISTRICTS FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2016

	<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>
<b>Assets:</b>						
Taxes receivable, net	\$ 26,076	\$ 19,677	\$ 7,466	\$ 18,204	\$ 19,121	\$ 3,131
Due from other governments	<u>8,205</u>	<u>3,270</u>	<u>3,086</u>	<u>4,770</u>	<u>2,601</u>	<u>1,349</u>
Total assets	<u>\$ 34,281</u>	<u>\$ 22,947</u>	<u>\$ 10,552</u>	<u>\$ 22,974</u>	<u>\$ 21,722</u>	<u>\$ 4,480</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable	<u>\$ 8,205</u>	<u>\$ 3,270</u>	<u>\$ 3,086</u>	<u>\$ 4,770</u>	<u>\$ 2,601</u>	<u>\$ 1,349</u>
<b>Deferred Inflows of Resources:</b>						
Taxes receivable	<u>26,076</u>	<u>19,677</u>	<u>7,466</u>	<u>18,204</u>	<u>19,121</u>	<u>3,131</u>
<b>Fund Balances:</b>						
Restricted:						
Stabilization by State Statue	8,205	3,270	3,086	4,770	2,601	1,349
Unassigned	<u>(8,205)</u>	<u>(3,270)</u>	<u>(3,086)</u>	<u>(4,770)</u>	<u>(2,601)</u>	<u>(1,349)</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 34,281</u>	<u>\$ 22,947</u>	<u>\$ 10,552</u>	<u>\$ 22,974</u>	<u>\$ 21,722</u>	<u>\$ 4,480</u>



ALAMANCE COUNTY, NORTH CAROLINA

FIRE DISTRICTS FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2016

	Eli Whitney/87 South Fund	E.M. Holt Fund	Altamahaw- Ossipee Fund	East Alamance Fund	Haw River Fund	Snow Camp Fund	Total
<b>Assets:</b>							
Taxes receivable, net	\$ 16,085	\$ 35,781	\$ 15,904	\$ 17,282	\$ 27,835	\$ 21,365	\$ 227,927
Due from other governments	3,281	7,182	5,940	3,856	3,426	4,576	51,542
Total assets	<u>\$ 19,366</u>	<u>\$ 42,963</u>	<u>\$ 21,844</u>	<u>\$ 21,138</u>	<u>\$ 31,261</u>	<u>\$ 25,941</u>	<u>\$ 279,469</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 3,281	\$ 7,182	\$ 5,940	\$ 3,856	\$ 3,426	\$ 4,576	\$ 51,542
<b>Deferred Inflows of Resources:</b>							
Taxes receivable	16,085	35,781	15,904	17,282	27,835	21,365	227,927
<b>Fund Balances:</b>							
Restricted:							
Stabilization by State Statue	3,281	7,182	5,940	3,856	3,426	4,576	51,542
Unassigned	(3,281)	(7,182)	(5,940)	(3,856)	(3,426)	(4,576)	(51,542)
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 19,366</u>	<u>\$ 42,963</u>	<u>\$ 21,844</u>	<u>\$ 21,138</u>	<u>\$ 31,261</u>	<u>\$ 25,941</u>	<u>\$ 279,469</u>

ALAMANCE COUNTY, NORTH CAROLINA

**FIRE DISTRICTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Sweptsonville 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>
<b>Revenues:</b>						
Ad valorem taxes:						
Taxes	\$ 724,254	\$ 319,039	\$ 285,022	\$ 394,881	\$ 258,466	\$ 130,808
Penalties and interest	<u>2,949</u>	<u>1,178</u>	<u>1,247</u>	<u>2,096</u>	<u>3,312</u>	<u>468</u>
Total revenues	<u>727,203</u>	<u>320,217</u>	<u>286,269</u>	<u>396,977</u>	<u>261,778</u>	<u>131,276</u>
<b>Expenditures:</b>						
Current:						
Public safety	<u>727,203</u>	<u>320,217</u>	<u>286,269</u>	<u>396,977</u>	<u>261,778</u>	<u>131,276</u>
<b>Fund Balances:</b>						
Beginning of year - July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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, 2016**

	<b>Eli Whitney/87 South Fund</b>	<b>E.M. Holt Fund</b>	<b>Altamahaw- Ossipee Fund</b>	<b>East Alamance Fund</b>	<b>Haw River Fund</b>	<b>Snow Camp Fund</b>	<b>Total</b>
<b>Revenues:</b>							
Ad valorem taxes:							
Taxes	\$ 376,365	\$ 715,177	\$ 477,294	\$ 433,933	\$ 284,925	\$ 449,057	\$ 4,849,221
Penalties and interest	2,714	3,694	2,353	2,983	3,157	3,068	29,219
Total revenues	<u>379,079</u>	<u>718,871</u>	<u>479,647</u>	<u>436,916</u>	<u>288,082</u>	<u>452,125</u>	<u>4,878,440</u>
<b>Expenditures:</b>							
Current:							
Public safety	<u>379,079</u>	<u>718,871</u>	<u>479,647</u>	<u>436,916</u>	<u>288,082</u>	<u>452,125</u>	<u>4,878,440</u>
<b>Fund Balances:</b>							
Beginning of year - July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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, 2016

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Ad valorem taxes:				
Swepsonville	\$ 718,998	\$ 727,203	\$ 8,205	\$ 691,995
54 East	316,947	320,217	3,270	315,896
Elon Fire/Rescue	283,183	286,269	3,086	287,149
Faucette	392,207	396,977	4,770	389,784
North Eastern Alamance	259,177	261,778	2,601	257,700
North Central Alamance	129,927	131,276	1,349	128,239
Eli Whitney/87 South	375,798	379,079	3,281	368,841
E.M. Holt	711,689	718,871	7,182	692,112
Altamahaw-Ossipee	473,707	479,647	5,940	468,756
East Alamance	433,060	436,916	3,856	423,331
Haw River	284,656	288,082	3,426	275,459
Snow Camp	447,549	452,125	4,576	450,937
Total ad valorem taxes	4,826,898	4,878,440	51,542	4,750,199
Restricted intergovernmental:				
Fireman's Relief Fund:				
Faucette	-	-	-	2,609
North Eastern Alamance	-	-	-	1,974
North Central Alamance	-	-	-	760
Eli Whitney/87 South	-	-	-	2,802
E.M. Holt	-	-	-	3,998
Altamahaw-Ossipee	-	-	-	2,492
Snow Camp	-	-	-	2,891
Total Fireman's Relief Fund	-	-	-	17,526
Total revenues	4,826,898	4,878,440	51,542	4,767,725
<b>Expenditures:</b>				
Current:				
Public safety:				
Swepsonville	718,998	727,203	(8,205)	691,995
54 East	316,947	320,217	(3,270)	315,896
Elon Fire/Rescue	283,183	286,269	(3,086)	287,149
Faucette	392,207	396,977	(4,770)	392,393
North Eastern Alamance	259,177	261,778	(2,601)	259,674
North Central Alamance	129,927	131,276	(1,349)	128,999
Eli Whitney/87 South	375,798	379,079	(3,281)	371,643
E.M. Holt	711,689	718,871	(7,182)	696,110
Altamahaw-Ossipee	473,707	479,647	(5,940)	471,248
East Alamance	433,060	436,916	(3,856)	423,331
Haw River	284,656	288,082	(3,426)	275,459
Snow Camp	447,549	452,125	(4,576)	453,828
Total expenditures	4,826,898	4,878,440	(51,542)	4,767,725
Net change in fund balance	\$ -	-	\$ -	-
<b>Fund Balance:</b>				
Beginning of year - July 1		-		-
End of year - June 30		\$ -		\$ -

## ALAMANCE COUNTY, NORTH CAROLINA

COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Revenues:</b>					
Single Family Rehabilitation - 2009	\$ 400,000	\$ 400,000	\$ -	\$ 400,000	\$ -
Urgent Repair Program Grant - 2012	82,414	82,414	-	82,414	-
Scattered Sites Housing - 2010	400,000	350,607	-	350,607	(49,393)
Economic Recovery Grant - 2010	500,000	394,078	-	394,078	(105,922)
Single Family Rehabilitation - 2012	261,640	261,640	-	261,640	-
Duke Help	359,488	359,488	-	359,488	-
Investment earnings	33	33	-	33	-
Total revenues	<u>2,003,575</u>	<u>1,848,260</u>	<u>-</u>	<u>1,848,260</u>	<u>(155,315)</u>
<b>Expenditures:</b>					
CDBG Scattered Sites Housing Grant - 2010:					
Rehabilitation	360,000	310,607	-	310,607	49,393
Administration	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
Total Scattered Sites Housing - 2010 expenditures	<u>400,000</u>	<u>350,607</u>	<u>-</u>	<u>350,607</u>	<u>49,393</u>
CDBG Economic Recovery Grant - 2010:					
Rehabilitation	450,000	346,078	-	346,078	103,922
Administration	<u>50,000</u>	<u>48,000</u>	<u>-</u>	<u>48,000</u>	<u>2,000</u>
Total Economic Recovery Grant - 2010 expenditures	<u>500,000</u>	<u>394,078</u>	<u>-</u>	<u>394,078</u>	<u>105,922</u>
Single Family Rehabilitation - 2009:					
Soft cost	48,000	48,494	35,522	84,016	(36,016)
Hard cost	320,000	356,016	(36,016)	320,000	-
Administration	<u>32,000</u>	<u>32,000</u>	<u>-</u>	<u>32,000</u>	<u>-</u>
Total Single Family Rehabilitation - 2009 expenditures	<u>400,000</u>	<u>436,510</u>	<u>(494)</u>	<u>436,016</u>	<u>(36,016)</u>
Single Family Rehabilitation - 2012:					
Rehabilitation	223,212	186,702	494	187,196	36,016
Administration	<u>39,897</u>	<u>39,897</u>	<u>-</u>	<u>39,897</u>	<u>-</u>
Total Single Family Rehabilitation - 2012 expenditures	<u>263,109</u>	<u>226,599</u>	<u>494</u>	<u>227,093</u>	<u>36,016</u>
Urgent Repair Program Grant - 2012:					
Program cost	<u>82,414</u>	<u>82,414</u>	<u>-</u>	<u>82,414</u>	<u>-</u>
Duke Help:					
Rehabilitation	345,796	345,796	-	345,796	-
Administration	<u>13,692</u>	<u>13,692</u>	<u>-</u>	<u>13,692</u>	<u>-</u>
Total Duke Help expenditures	<u>359,488</u>	<u>359,488</u>	<u>-</u>	<u>359,488</u>	<u>-</u>
Total expenditures	<u>2,005,011</u>	<u>1,849,696</u>	<u>-</u>	<u>1,849,696</u>	<u>155,315</u>
Revenues over (under) expenditures	(1,436)	(1,436)	-	(1,436)	-
<b>Other Financing Sources (Uses):</b>					
Transfers in:					
From General Fund	<u>1,436</u>	<u>-</u>	<u>1,436</u>	<u>1,436</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,436)</u>	<u>1,436</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			(1,436)		
End of year - June 30			<u>\$ -</u>		

Alamance County, North Carolina  
Financial Statements and Schedules

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***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, 2016

	<b>Schools Fund</b>	<b>County Buildings Fund</b>	<b>Alamance Community College Fund</b>	<b>Total</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 315,395	\$ 14,898	\$ 5,159	\$ 335,452
Total assets	\$ 315,395	\$ 14,898	\$ 5,159	\$ 335,452
<b>Fund Balances:</b>				
Committed	\$ 315,395	\$ 14,898	\$ 5,159	\$ 335,452
Total fund balances	\$ 315,395	\$ 14,898	\$ 5,159	\$ 335,452

## ALAMANCE COUNTY, NORTH CAROLINA

## CAPITAL RESERVE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2016

	<b>Schools Fund</b>	<b>County Buildings Fund</b>	<b>Alamance Community College Fund</b>	<b>Total</b>
<b>Revenues:</b>				
Investment earnings	\$ 1,753	\$ 494	\$ 32	\$ 2,279
<b>Other Financing Sources (Uses):</b>				
Transfers in	278,908	200,000	-	478,908
Transfers (out)	-	(207,966)	-	(207,966)
Total other financing sources (uses)	278,908	(7,966)	-	270,942
Net change in fund balances	280,661	(7,472)	32	273,221
<b>Fund Balances:</b>				
Beginning of year - July 1	34,734	22,370	5,127	62,231
End of year - June 30	\$ 315,395	\$ 14,898	\$ 5,159	\$ 335,452

## 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, 2016

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings:				
Schools	\$ 1,000	\$ 1,753	\$ 753	\$ 40
County buildings	1,000	494	(506)	30
Alamance Community College	1,000	32	(968)	6
Total revenues	3,000	2,279	(721)	76
<b>Expenditures:</b>				
Contingency:				
Schools	279,907	-	279,907	-
County buildings	1,000	-	1,000	-
Alamance Community College	1,000	-	1,000	-
Total expenditures	281,907	-	281,907	-
Revenues over (under) expenditures	(278,907)	2,279	281,186	76
<b>Other Financing Sources (Uses):</b>				
Schools:				
Transfer from Schools Capital Project Fund	278,907	278,908	1	-
County Building:				
Transfers in from other funds	207,966	200,000	(7,966)	150,000
Transfers out to other funds	(207,966)	(207,966)	-	(157,015)
Total other financing sources (uses)	278,907	270,942	(7,965)	(7,015)
Net change in fund balance	\$ -	273,221	\$ 273,221	(6,939)
<b>Fund Balance:</b>				
Beginning of year - July 1		62,231		69,170
End of year - June 30		\$ 335,452		\$ 62,231

## 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, 2016

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Revenues:</b>					
Investment earnings	\$ 533,000	\$ 540,717	\$ -	\$ 540,717	\$ 7,717
<b>Expenditures:</b>					
General construction - ACC	4,500,000	4,500,000	-	4,500,000	-
Bond issuance cost	45,529	43,849	-	43,849	1,680
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
Total expenditures	13,248,529	12,974,331	-	12,974,331	274,198
Revenues over (under) expenditures	(12,715,529)	(12,433,614)	-	(12,433,614)	281,915
<b>Other Financing Sources (Uses):</b>					
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	12,045,529	12,045,529	-	12,045,529	-
Total other financing sources (uses)	12,715,529	12,715,529	-	12,715,529	-
Net change in fund balance	\$ -	\$ 281,915	-	\$ 281,915	\$ 281,915
<b>Fund Balance:</b>					
Beginning of year - July 1			281,915		
End of year - June 30			\$ 281,915		

## 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, 2016**

		<b>Actual</b>			
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>					
Investment earnings	\$ 10,920	\$ 14,258	\$ -	\$ 14,258	\$ 3,338
<b>Expenditures:</b>					
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
<b>Other Financing Sources (Uses):</b>					
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
<b>Fund Balance:</b>					
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, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Operating revenues:				
Landfill user charges	\$ 3,100,300	\$ 3,696,910	\$ 596,610	\$ 3,775,129
Miscellaneous	318,000	425,431	107,431	411,438
Total operating revenues	3,418,300	4,122,341	704,041	4,186,567
Non-operating revenues:				
Interest on investments	500	11,011	10,511	907
Scrap tire disposal grant	-	-	-	10,243
Total non-operating revenues	500	11,011	10,511	11,150
Total revenues	3,418,800	4,133,352	714,552	4,197,717
<b>Expenditures:</b>				
Environmental protection:				
Landfill:				
Administration:				
Fixed charges and other expenditures	144,199	144,199	-	136,827
Operations:				
Salaries and benefits	1,132,202	1,006,818	125,384	995,001
Supplies and materials	52,145	38,177	13,968	63,681
Current obligations and services	933,683	531,412	402,271	491,564
State mandated MSW/C&D charges	172,000	195,863	(23,863)	188,099
Fixed charges and other expenditures	647,751	551,216	96,535	480,105
Total operations expenditures	2,937,781	2,323,486	614,295	2,218,450
Total environmental protection	3,081,980	2,467,685	614,295	2,355,277
Budgetary appropriations:				
Other capital outlay	595,312	301,126	294,186	875,430
Total expenditures	3,677,292	2,768,811	908,481	3,230,707
Revenues over (under) expenditures	(258,492)	1,364,541	1,623,033	967,010

ALAMANCE COUNTY, NORTH CAROLINA

LANDFILL ENTERPRISE FUND  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Other Financing Sources (Uses):</b>				
Sale of capital asset	-	-	-	25,676
Appropriated fund balance	258,492	-	(258,492)	-
Total other financing sources (uses)	258,492	-	(258,492)	25,676
Total other financing sources over (under) expenditures and other financing uses	\$ -	\$ 1,364,541	\$ 1,364,541	\$ 992,686
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 1,364,541		\$ 992,686
Reconciling items:				
Capital outlay		255,701		875,430
Loss on disposal of capital assets		-		(25,850)
Change in accrued landfill closure and post-closure care costs		(407,834)		(213,934)
Change in compensated absences payable		10,474		(5,730)
Deferred outflows of resources for contributions made to pension plan in the current fiscal year		52,391		43,012
Pension expense		(29,703)		(3,870)
Change in other post-employment benefits		(74,067)		(77,168)
Depreciation		(715,535)		(675,335)
Change in net position		\$ 455,968		\$ 909,241

## ***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, 2016

	<b>Employee Insurance Fund</b>	<b>Workers' Compensation Fund</b>	<b>Property Insurance Fund</b>	<b>Total</b>
<b>Assets:</b>				
Current assets:				
Cash and cash equivalents	\$ -	\$ 739,366	\$ 128,870	\$ 868,236
Accounts receivable, net	<u>7,454</u>	<u>1,459</u>	<u>-</u>	<u>8,913</u>
Total current assets	<u>7,454</u>	<u>740,825</u>	<u>128,870</u>	<u>877,149</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	461,150	29,596	(14,400)	476,346
Due to other funds	<u>302,904</u>	<u>-</u>	<u>-</u>	<u>302,904</u>
Total current liabilities	<u>764,054</u>	<u>29,596</u>	<u>(14,400)</u>	<u>779,250</u>
<b>Net Position:</b>				
Unrestricted	<u>\$ (756,600)</u>	<u>\$ 711,229</u>	<u>\$ 143,270</u>	<u>\$ 97,899</u>

## ALAMANCE COUNTY, NORTH CAROLINA

## INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2016

	<b>Employee Insurance Fund</b>	<b>Workers' Compensation Fund</b>	<b>Property Insurance Fund</b>	<b>Total</b>
<b>Operating Revenues:</b>				
Charges for services	\$ 8,336,657	\$ 500,104	\$ 527,589	\$ 9,364,350
<b>Operating Expenditures:</b>				
Administration	5,529	578	16,950	23,057
Personal services	9,535,099	790,953	-	10,326,052
Fixed charges and other expenditures	16,971	3,969	389,296	410,236
Total operating expenditures	9,557,599	795,500	406,246	10,759,345
Operating income (loss)	(1,220,942)	(295,396)	121,343	(1,394,995)
<b>Non-Operating Revenue (Expense):</b>				
Investment earnings	15	7,083	850	7,948
Income (loss) before capital contributions and transfers	(1,220,927)	(288,313)	122,193	(1,387,047)
<b>Capital Contributions and Transfers:</b>				
Transfers from other funds	2,000,000	(2,000,000)	-	-
Change in net position	779,073	(2,288,313)	122,193	(1,387,047)
<b>Net Position:</b>				
Beginning of year- July 1	(1,535,673)	2,999,542	21,077	1,484,946
End of year - June 30	\$ (756,600)	\$ 711,229	\$ 143,270	\$ 97,899

## ALAMANCE COUNTY, NORTH CAROLINA

**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Employee Insurance Fund</b>	<b>Workers' Compensation Fund</b>	<b>Property Insurance Fund</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers	\$ 8,336,663	\$ 500,104	\$ 527,589	\$ 9,364,356
Cash paid for goods and services	<u>(9,594,905)</u>	<u>(766,222)</u>	<u>(420,646)</u>	<u>(10,781,773)</u>
Net cash provided (used) by operating activities	<u>(1,258,242)</u>	<u>(266,118)</u>	<u>106,943</u>	<u>(1,417,417)</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Advances to/from other funds	(741,773)	-	-	(741,773)
Transfers (to) from other funds	<u>2,000,000</u>	<u>(2,000,000)</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by non-capital financing activities	<u>1,258,227</u>	<u>(2,000,000)</u>	<u>-</u>	<u>(741,773)</u>
<b>Cash Flows from Investing Activities:</b>				
Investment earnings	<u>15</u>	<u>7,083</u>	<u>850</u>	<u>7,948</u>
Net increase (decrease) in cash and cash equivalents	-	(2,259,035)	107,793	(2,151,242)
<b>Cash and Cash Equivalents/Investments:</b>				
Beginning of year - July 1	<u>-</u>	<u>2,998,401</u>	<u>21,077</u>	<u>3,019,478</u>
End of year - June 30	<u>\$ -</u>	<u>\$ 739,366</u>	<u>\$ 128,870</u>	<u>\$ 868,236</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ (1,220,942)	\$ (295,396)	\$ 121,343	\$ (1,394,995)
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>(37,306)</u>	<u>29,278</u>	<u>(14,400)</u>	<u>(22,428)</u>
Net cash provided (used) by operating activities	<u>\$ (1,258,242)</u>	<u>\$ (266,118)</u>	<u>\$ 106,943</u>	<u>\$ (1,417,417)</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, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Financial Plan	Actual	Variance Over/Under	Actual
<b>Operating Revenues:</b>				
Charges for services	\$ 7,742,993	\$ 8,336,657	\$ 593,664	\$ 6,956,451
Excess claims reimbursements	-	-	-	7,021
Total operating revenues	<u>7,742,993</u>	<u>8,336,657</u>	<u>593,664</u>	<u>6,963,472</u>
<b>Non-Operating Revenue (Expense):</b>				
Investment earnings	<u>10,000</u>	<u>15</u>	<u>(9,985)</u>	<u>548</u>
Total revenues	<u>7,752,993</u>	<u>8,336,672</u>	<u>583,679</u>	<u>6,964,020</u>
<b>Operating Expenditures:</b>				
Administration	5,529	5,529	-	5,714
Personal services	10,672,526	9,535,099	1,137,427	9,517,697
Fixed charges and other expenditures	<u>20,489</u>	<u>16,971</u>	<u>3,518</u>	<u>14,602</u>
Total operating expenditures	<u>10,698,544</u>	<u>9,557,599</u>	<u>1,140,945</u>	<u>9,538,013</u>
Revenues over (under) expenditures	<u>(2,945,551)</u>	<u>(1,220,927)</u>	<u>1,724,624</u>	<u>(2,573,993)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	2,000,000	2,000,000	-	-
Appropriated net position	<u>945,551</u>	<u>-</u>	<u>(945,551)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,945,551</u>	<u>2,000,000</u>	<u>(945,551)</u>	<u>-</u>
Change in net position	<u>\$ -</u>	<u>\$ 779,073</u>	<u>\$ 779,073</u>	<u>\$ (2,573,993)</u>
<b>Reconciliation of Financial Plan Basis (Modified Accrual) to Full Accrual:</b>				
Change in net position		<u>\$ 779,073</u>		<u>\$ (2,573,993)</u>



## 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, 2016

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Financial Plan	Actual	Variance Over/Under	Actual
<b>Operating Revenues:</b>				
Charges for services	\$ 500,000	\$ 500,104	\$ 104	\$ 900,000
<b>Non-Operating Revenue:</b>				
Investment earnings	500	7,083	6,583	3,381
Total revenues	500,500	507,187	6,687	903,381
<b>Operating Expenditures:</b>				
Administration	578	578	-	495
Personal services	895,422	790,953	104,469	635,065
Fixed charges and other expenditures	4,000	3,969	31	3,844
Total operating expenditures	900,000	795,500	104,500	639,404
Revenues over (under) expenditures	(399,500)	(288,313)	111,187	263,977
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	(2,000,000)	(2,000,000)	-	-
Appropriated net position	2,399,500	-	(2,399,500)	-
Total other financing sources (uses)	399,500	(2,000,000)	(2,399,500)	-
Change in net position	\$ -	\$ (2,288,313)	\$ (2,288,313)	\$ 263,977
<b>Reconciliation of Financial Plan Basis (Modified Accrual) to Full Accrual:</b>				
Change in net position		\$ (2,288,313)		\$ 263,977

## 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, 2016

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Financial Plan	Actual	Variance Over/Under	Actual
<b>Operating Revenues:</b>				
Charges for services	\$ 527,590	\$ 527,589	\$ (1)	\$ 426,075
<b>Non-Operating Revenue (Expense):</b>				
Investment earnings	-	850	850	74
Total revenues	527,590	528,439	849	426,149
<b>Operating Expenditures:</b>				
Administration	20,000	16,950	3,050	12,750
Fixed charges and other expenditures	507,590	389,296	118,294	465,367
Total operating expenditures	527,590	406,246	121,344	478,117
Change in net position	\$ -	\$ 122,193	\$ 122,193	\$ (51,968)
<b>Reconciliation of Financial Plan Basis (Modified Accrual) to Full Accrual:</b>				
Change in net position		\$ 122,193		\$ (51,968)

## ***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, 2016

	<u>Private-Purpose Trust Funds</u>		
	<u>Indigent Trust Fund</u>	<u>General Trust Fund</u>	<u>Total</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 94,879	\$ 45,460	\$ 140,339
 Total assets	<u>\$ 94,879</u>	<u>\$ 45,460</u>	<u>\$ 140,339</u>
 <b>Net Position:</b>			
Assets held in trust for beneficiaries	\$ 94,879	\$ 45,460	\$ 140,339
 Total net position	<u>\$ 94,879</u>	<u>\$ 45,460</u>	<u>\$ 140,339</u>

## ALAMANCE COUNTY, NORTH CAROLINA

## PRIVATE-PURPOSE TRUST FUNDS

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

## FOR THE YEAR ENDED JUNE 30, 2016

	<b>Indigent Trust Fund</b>	<b>General Trust Fund</b>	<b>Total</b>
<b>Additions:</b>			
Restricted intergovernmental	\$ 455,892	\$ -	\$ 455,892
Permits and fees	-	38,295	38,295
Investment earnings	-	46	46
Inmate and health deposits	-	863,530	863,530
Total additions	<u>455,892</u>	<u>901,871</u>	<u>1,357,763</u>
<b>Deductions:</b>			
Current:			
Human services	<u>447,538</u>	<u>949,157</u>	<u>1,396,695</u>
Change in net position	8,354	(47,286)	(38,932)
<b>Net position:</b>			
Beginning of year - July 1	<u>86,525</u>	<u>92,746</u>	<u>179,271</u>
End of year - June 30	<u>\$ 94,879</u>	<u>\$ 45,460</u>	<u>\$ 140,339</u>

## ***AGENCY FUNDS***

ALAMANCE COUNTY, NORTH CAROLINA

AGENCY FUNDS  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
JUNE 30, 2016

	<b>Village of Alamance Fund</b>	<b>Town of Haw River Fund</b>	<b>Altamahaw- Ossipee Sanitary District Fund</b>	<b>Town of Green Level Fund</b>	<b>City of Graham Fund</b>
<b>Assets:</b>					
Taxes receivable, net	\$ 4,480	\$ 33,844	\$ 1,533	\$ 62,494	\$ 99,954
Total assets	<u>\$ 4,480</u>	<u>\$ 33,844</u>	<u>\$ 1,533</u>	<u>\$ 62,494</u>	<u>\$ 99,954</u>
<b>Liabilities:</b>					
Intergovernmental payable	\$ 4,480	\$ 33,844	\$ 1,533	\$ 62,494	\$ 99,954
Total liabilities	<u>\$ 4,480</u>	<u>\$ 33,844</u>	<u>\$ 1,533</u>	<u>\$ 62,494</u>	<u>\$ 99,954</u>



ALAMANCE COUNTY, NORTH CAROLINA

AGENCY FUNDS  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
JUNE 30, 2016

	<u>City of Burlington Fund</u>	<u>Town of Elon Fund</u>	<u>City of Mebane Fund</u>	<u>Town of Gibsonville Fund</u>	<u>Total</u>
<b>Assets:</b>					
Taxes receivable, net	\$ 431,639	\$ 29,232	\$ 74,007	\$ 23,871	\$ 761,054
Total assets	<u>\$ 431,639</u>	<u>\$ 29,232</u>	<u>\$ 74,007</u>	<u>\$ 23,871</u>	<u>\$ 761,054</u>
<b>Liabilities:</b>					
Intergovernmental payable	\$ 431,639	\$ 29,232	\$ 74,007	\$ 23,871	\$ 761,054
Total liabilities	<u>\$ 431,639</u>	<u>\$ 29,232</u>	<u>\$ 74,007</u>	<u>\$ 23,871</u>	<u>\$ 761,054</u>

**ALAMANCE COUNTY, NORTH CAROLINA**

**AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Balance June 30, 2015</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2016</b>
<b>Village of Alamance Fund:</b>				
<b>Assets:</b>				
Taxes receivable (net)	\$ 5,459	\$ 189,529	\$ 190,508	\$ 4,480
<b>Liabilities:</b>				
Intergovernmental payable	\$ 5,459	\$ 189,529	\$ 190,508	\$ 4,480
<b>Town of Haw River Fund:</b>				
<b>Assets:</b>				
Taxes receivable (net)	\$ 40,996	\$ 706,477	\$ 713,629	\$ 33,844
<b>Liabilities:</b>				
Intergovernmental payable	\$ 40,996	\$ 706,477	\$ 713,629	\$ 33,844
<b>Altamahaw-Ossipee Sanitary District Fund:</b>				
<b>Assets:</b>				
Taxes receivable (net)	\$ 1,943	\$ 17,540	\$ 17,950	\$ 1,533
<b>Liabilities:</b>				
Intergovernmental payable	\$ 1,943	\$ 17,540	\$ 17,950	\$ 1,533
<b>Town of Green Level Fund:</b>				
<b>Assets:</b>				
Taxes receivable (net)	\$ 68,336	\$ 247,262	\$ 253,104	\$ 62,494
<b>Liabilities:</b>				
Intergovernmental payable	\$ 68,336	\$ 247,262	\$ 253,104	\$ 62,494
<b>City of Graham Fund:</b>				
<b>Assets:</b>				
Taxes receivable (net)	\$ 104,447	\$ 457,619	\$ 462,112	\$ 99,954
<b>Liabilities:</b>				
Intergovernmental payable	\$ 104,447	\$ 457,619	\$ 462,112	\$ 99,954
<b>City of Burlington Fund:</b>				
<b>Assets:</b>				
Taxes receivable (net)	\$ 446,184	\$ 2,328,451	\$ 2,342,996	\$ 431,639
<b>Liabilities:</b>				
Intergovernmental payable	\$ 446,184	\$ 2,328,451	\$ 2,342,996	\$ 431,639

ALAMANCE COUNTY, NORTH CAROLINA

AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>Town of Elon Fund:</b>				
<b>Assets:</b>				
Taxes receivable (net)	\$ 46,058	\$ 190,720	\$ 207,546	\$ 29,232
<b>Liabilities:</b>				
Intergovernmental payable	\$ 46,058	\$ 190,720	\$ 207,546	\$ 29,232
<b>City of Mebane Fund:</b>				
<b>Assets:</b>				
Taxes receivable (net)	\$ 71,031	\$ 452,415	\$ 449,439	\$ 74,007
<b>Liabilities:</b>				
Intergovernmental payable	\$ 71,031	\$ 452,415	\$ 449,439	\$ 74,007
<b>Town of Gibsonville Fund:</b>				
<b>Assets:</b>				
Taxes receivable (net)	\$ 22,423	\$ 151,371	\$ 149,923	\$ 23,871
<b>Liabilities:</b>				
Intergovernmental payable	\$ 22,423	\$ 151,371	\$ 149,923	\$ 23,871
<b>Fines and Forfeitures Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ 754,260	\$ 754,260	\$ -
<b>Liabilities:</b>				
Intergovernmental payable	\$ -	\$ -	\$ -	\$ -
<b>Total - All Agency Funds:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ 754,260	\$ 754,260	\$ -
Taxes receivable (net)	806,877	4,741,384	4,787,207	761,054
Total assets	\$ 806,877	\$ 5,495,644	\$ 5,541,467	\$ 761,054
<b>Liabilities:</b>				
Intergovernmental payable	\$ 806,877	\$ 4,741,384	\$ 4,787,207	\$ 761,054

Alamance County, North Carolina  
Financial Statements and Schedules

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***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, 2016

<b>Fiscal Year</b>	<b>Balance July 1, 2015</b>	<b>Additions</b>	<b>Collections and Credits</b>	<b>Balance June 30, 2016</b>
2015-2016	\$ -	\$ 75,484,219	\$ 74,553,132	\$ 931,087
2014-2015	1,037,375		674,864	362,511
2013-2014	529,425		244,422	285,003
2012-2013	314,616		104,160	210,456
2011-2012	190,252		42,380	147,872
2010-2011	148,522		14,338	134,184
2009-2010	143,362		6,781	136,581
2008-2009	162,709		6,208	156,501
2007-2008	113,732		5,841	107,891
2006-2007	107,869		7,159	100,710
2005-2006	109,929	-	109,929	-
Total	<u>\$ 2,857,791</u>	<u>\$ 75,484,219</u>	<u>\$ 75,769,214</u>	2,572,796
Less: Allowance for uncollectible accounts - General Fund				<u>(735,634)</u>
Ad valorem taxes receivable, net - General Fund				<u>\$ 1,837,162</u>
<b>Reconcilement with revenues:</b>				
Ad valorem taxes - General Fund				\$ 76,525,837
Reconciling Items:				
Releases and adjustments				(866,552)
Amount written off per Statute of Limitations				<u>109,929</u>
Total collections and credits				<u>\$ 75,769,214</u>

ALAMANCE COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY  
FOR THE YEAR ENDED JUNE 30, 2016

				Total Levy	
	County-Wide			Property Excluding Registered	Registered
	Property Valuation	Rate	Total Levy	Motor Vehicles	Motor Vehicles
<b>Original Levy:</b>					
Property taxed at current year's rate	\$ 12,992,533,103	\$ 0.58	\$ 75,356,692	\$ 68,420,818	\$ 6,935,874
Penalties	6,891,207		39,969	39,969	-
Total original levy	12,999,424,310		75,396,661	68,460,787	6,935,874
<b>Discoveries:</b>					
Current year taxes	64,292,586	0.58	372,897	372,109	788
Penalties	-		27,897	27,897	-
Total discoveries	64,292,586		400,794	400,006	788
<b>Abatements</b>	(54,006,207)	0.58	(313,236)	(313,087)	(149)
Total property valuation	<u>\$ 13,009,710,690</u>				
<b>Net Levy</b>			75,484,219	68,547,706	6,936,513
Uncollected taxes at June 30, 2016			931,087	930,527	560
<b>Current Year's Taxes Collected</b>			<u>\$ 74,553,132</u>	<u>\$ 67,617,179</u>	<u>\$ 6,935,953</u>
<b>Current Levy Collection Percentage</b>			<u>98.77%</u>	<u>98.64%</u>	<u>99.99%</u>



**ALAMANCE COUNTY, NORTH CAROLINA**

**ANALYSIS OF CURRENT YEAR LEVY  
FOR THE YEAR ENDED JUNE 30, 2016**

**Secondary Market Disclosures:**

Assessed valuation:

Assessment ratio (1)	<u>100.00%</u>
Real property	\$ 9,985,623,569
Personal property	2,742,523,826
Public service companies (2)	<u>281,563,295</u>
Total assessed valuation	<u>\$ 13,009,710,690</u>
Tax rate per \$100	<u>\$ 0.58</u>
Levy (includes discoveries, releases, and abatements) (3)	<u>\$ 75,484,219</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>\$ 4,359,415,820</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.	120
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property taxes.	124
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.	133
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.	136
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.	138

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 42,349,248
Restricted	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	15,891,473
Unrestricted	(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)	(42,963,227)
Total governmental activities net position	<u>\$ 27,165,157</u>	<u>\$ 16,671,741</u>	<u>\$ 11,959,884</u>	<u>\$ 7,045,347</u>	<u>\$ 4,171,932</u>	<u>\$ 6,998,227</u>	<u>\$ 21,063,926</u>	<u>\$ 18,824,514</u>	<u>\$ 17,738,154</u>	<u>\$ 15,277,494</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 12,734,656
Restricted	-	-	-	-	5,576,444	-	314,014	313,701	312,844	304,791
Unrestricted	8,844,023	7,928,221	7,292,012	7,011,792	-	5,688,933	4,847,249	4,342,635	3,865,929	2,396,761
Total business-type activities net position	<u>\$ 21,907,372</u>	<u>\$ 21,451,404</u>	<u>\$ 20,640,950</u>	<u>\$ 20,092,806</u>	<u>\$ 18,916,364</u>	<u>\$ 18,733,467</u>	<u>\$ 18,574,643</u>	<u>\$ 18,346,074</u>	<u>\$ 17,280,028</u>	<u>\$ 15,436,208</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 55,083,904
Restricted	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	16,196,264
Unrestricted	(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)	(40,566,466)
Total primary government net position	<u>\$ 49,072,529</u>	<u>\$ 38,291,150</u>	<u>\$ 32,600,834</u>	<u>\$ 27,138,153</u>	<u>\$ 23,088,296</u>	<u>\$ 25,731,694</u>	<u>\$ 39,638,569</u>	<u>\$ 37,170,588</u>	<u>\$ 35,018,182</u>	<u>\$ 30,713,702</u>

**ALAMANCE COUNTY, NORTH CAROLINA**

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

**Table 2**

	Fiscal Year Ended June 30									
	<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>	<u>2007</u>
<b>REVENUES</b>										
<b>Function/Programs:</b>										
Charges for services:										
Public safety	\$ 8,113	\$ 4,345	\$ 8,069	\$ 9,294	\$ 8,012	\$ 8,252	\$ 7,863	\$ 6,629	\$ 6,996	\$ 3,332
Human services	2,321	3,198	1,769	2,600	3,067	5,616	5,542	5,596	4,380	3,459
Other	2,379	5,914	2,199	2,468	2,151	2,353	1,760	1,623	2,223	5,699
Subtotal	<u>12,813</u>	<u>13,456</u>	<u>12,037</u>	<u>14,362</u>	<u>13,230</u>	<u>16,221</u>	<u>15,165</u>	<u>13,848</u>	<u>13,599</u>	<u>12,490</u>
Operating grants and contributions	26,790	25,917	23,587	23,516	24,767	22,637	25,896	24,421	23,249	22,719
Capital grants and contributions	595	683	2,696	2,772	6,702	2,777	1,785	2,060	1,631	1,836
<b>General revenues:</b>										
Taxes:										
Property taxes, levied for general purpose	81,155	72,673	74,289	69,298	67,366	66,146	67,177	66,813	64,602	61,819
Local option sales tax	27,608	25,080	22,204	20,665	20,226	18,720	16,658	22,776	27,477	26,378
Other taxes and licenses	1,512	1,346	1,177	1,020	949	900	1,242	1,392	1,924	1,722
Grants and contributions not restricted to specific programs	-	-	-	-	-	-	-	-	-	243
Investment earnings	430	366	302	485	525	407	47	241	949	1,645
Miscellaneous, unrestricted	-	-	-	25	25	25	65	282	280	314
Special items	-	2,374	-	-	-	-	-	-	-	-
Subtotal	<u>150,902</u>	<u>141,897</u>	<u>136,292</u>	<u>132,143</u>	<u>133,790</u>	<u>127,833</u>	<u>128,035</u>	<u>131,833</u>	<u>133,711</u>	<u>129,166</u>
Landfill:										
Charges for services	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	11	1	-	-	2	15	19	129	387	-
Miscellaneous, unrestricted	-	-	-	-	-	-	172	445	398	-
Subtotal	<u>4,133</u>	<u>4,198</u>	<u>4,299</u>	<u>3,717</u>	<u>3,603</u>	<u>3,558</u>	<u>3,722</u>	<u>3,999</u>	<u>4,120</u>	<u>-</u>
Total revenues	<u>155,036</u>	<u>146,094</u>	<u>140,591</u>	<u>135,860</u>	<u>137,393</u>	<u>131,391</u>	<u>131,757</u>	<u>135,832</u>	<u>137,831</u>	<u>129,166</u>
<b>EXPENSES</b>										
General government	14,780	14,208	13,744	12,644	14,519	13,475	10,946	11,764	10,355	10,670
Public Safety	39,034	36,135	36,976	35,211	35,159	35,567	33,617	34,194	30,194	27,401
Economic and physical development	2,903	1,605	1,815	1,758	1,792	2,116	1,297	1,697	1,403	1,137
Human services	34,768	36,704	33,935	33,432	33,790	33,229	33,615	34,698	35,899	34,844
Cultural and recreational	3,710	3,786	4,338	3,624	3,926	4,327	3,677	3,588	3,753	3,375
Education	41,598	37,497	36,346	34,963	42,430	45,992	38,763	40,787	44,977	51,742
Interest on long-term debt	2,297	2,550	2,972	6,478	3,655	3,659	3,415	3,611	4,173	3,709
Other expenses	1,486	841	1,252	1,158	1,347	1,376	465	457	497	239
Subtotal	<u>140,577</u>	<u>133,328</u>	<u>131,378</u>	<u>129,268</u>	<u>136,618</u>	<u>139,741</u>	<u>125,795</u>	<u>130,796</u>	<u>131,251</u>	<u>133,117</u>
Landfill	<u>3,677</u>	<u>3,288</u>	<u>3,751</u>	<u>2,542</u>	<u>3,419</u>	<u>3,399</u>	<u>3,494</u>	<u>2,933</u>	<u>2,276</u>	<u>2,467</u>
Total expenses	<u>144,254</u>	<u>136,616</u>	<u>135,129</u>	<u>131,810</u>	<u>140,037</u>	<u>143,140</u>	<u>129,289</u>	<u>133,729</u>	<u>133,527</u>	<u>135,584</u>
Change in net position	10,781	9,478	5,462	4,050	(2,644)	(11,749)	2,468	2,103	4,304	(6,418)
Net position-beginning, as restated	38,290	28,812	27,138	23,088	25,732	37,480	37,171	35,068	30,714	37,132
Net position-ending	<u>\$ 49,072</u>	<u>\$ 38,290</u>	<u>\$ 32,600</u>	<u>\$ 27,138</u>	<u>\$ 23,088</u>	<u>\$ 25,731</u>	<u>\$ 39,639</u>	<u>\$ 37,171</u>	<u>\$ 35,018</u>	<u>\$ 30,714</u>

**ALAMANCE COUNTY, NORTH CAROLINA**

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

**Table 3**

	Fiscal Year Ended June 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,634,322	\$ 9,381,210	\$ 11,710,491	\$ 8,666,071
Unreserved	-	-	-	-	-	-	15,942,207	18,142,118	18,922,786	17,555,501
Nonspendable	-	-	-	-	172,530	-	-	-	-	-
Restricted <sup>a</sup>	13,618,467	11,642,230	9,413,377	8,621,118	11,742,712	5,317,002	-	-	-	-
Committed <sup>b</sup>	1,488,962	535,212	480,619	322,619	202,619	-	-	-	-	-
Unassigned	31,207,283	26,289,738	21,526,972	17,398,129	9,559,112	13,793,848	-	-	-	-
Total general fund	<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>	<u>26,221,572</u>
All Other Governmental Funds										
Reserved	-	-	-	-	-	-	68,965	99,216	101,870	220,033
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	508,679	131,241	897,871	1,505,756
Capital project funds	-	-	-	-	-	-	9,881,154	6,725,216	6,935,964	15,877,376
Restricted in Capital Project	1,339,423	1,314,958	895,489	1,046,434	2,045,675	6,669,885	-	-	-	-
Committed in Capital Project	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 <sup>c</sup>	<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>	<u>17,603,165</u>
Total fund balances, governmental funds <sup>d</sup>	<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>	<u>\$ 43,824,737</u>

122 Total all other government funds

<sup>a</sup> The amounts in this row primarily reflect stabilization by State statute.

<sup>b</sup> The Board of Commissioners have committed funds for Economic Development and Revaluation.

<sup>c</sup> The decrease is due to the completion and progress of various projects in progress.

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

**ALAMANCE COUNTY, NORTH CAROLINA**

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

**Table 4**

	Fiscal Year Ended June 30									
	<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>	<u>2007</u>
<b>Revenues</b>										
Property taxes	\$ 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	\$ 61,903,922
Sales taxes	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	26,378,154
Other taxes and licenses	1,511,829	1,345,902	1,178,223	1,019,568	948,664	900,150	951,964	919,807	1,432,330	1,721,703
Unrestricted intergovernmental	258,829	277,018	253,863	233,472	252,116	240,992	78,741	244,604	247,751	1,544,894
Restricted intergovernmental	27,384,337	26,432,568	25,744,940	25,749,474	29,080,408	24,775,193	26,900,059	25,749,397	22,981,577	21,731,612
Permits and fees	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	1,619,467
Sales and services	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	6,718,823
Investment earnings	422,198	362,419	299,144	482,991	521,302	384,203	73,260	384,227	1,597,120	2,689,474
Miscellaneous	454,708	477,661	353,176	505,727	2,026,872	609,518	925,362	825,343	1,434,271	570,922
Total revenues	<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>	<u>124,878,971</u>
<b>Expenditures</b>										
Current										
General government	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	11,040,856
Public Safety	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	28,860,371
Transportation	382,450	395,263	266,588	(43,211)	402,868	425,755	407,971	397,369	410,587	182,881
Environmental protection	102,011	110,590	(64,814)	(414,878)	61,497	55,086	56,204	58,983	84,821	58,048
Economic and physical development	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	1,182,425
Human services	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	35,346,669
Cultural and recreational	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	4,054,430
Intergovernmental (education)	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	31,041,238
Expenditures before Capital Outlay and Debt Service	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	111,766,918
Capital outlay	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	23,327,420
Debt service:										
Principal	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	5,331,643
Interest and other charges	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	3,621,578
Issuance costs	6,597	3,653	-	329,582	1,798	127,978	22,964	-	-	-
Total expenditures	<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>143,566,866</u>	<u>137,471,224</u>	<u>141,770,032</u>	<u>140,141,040</u>	<u>144,047,559</u>
Revenues over (under) expenditures	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)	(19,168,588)
Other financing sources (uses)	543,603	440,762	563,218	5,946,146	1,105,241	10,040,813	9,714,664	6,136,218	110,800	23,432,681
Special items	-	3,902,970	-	-	-	-	-	-	-	-
Increase (decrease) in fund balance	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)	4,264,093
Beginning fund balance-as restated	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	39,560,644
Ending fund balance	<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>	<u>\$ 43,824,737</u>
Debt service expenditures / non-capital expenditures ratio										
Total Debt service expenditures	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	8,953,221
Divided by Expenditures excluding capital outlay and debt service	<u>130,021,851</u>	<u>123,571,779</u>	<u>118,877,662</u>	<u>112,332,557</u>	<u>122,067,806</u>	<u>124,396,952</u>	<u>121,755,070</u>	<u>123,794,878</u>	<u>119,155,201</u>	<u>111,766,918</u>
	8.18%	9.44%	9.86%	14.28%	9.53%	9.19%	7.94%	7.38%	7.39%	6.45%



ALAMANCE COUNTY, NORTH CAROLINA

Program Revenues by Function/Program  
Last Ten Fiscal Years

Table 5

Function/Program	Program Revenues Fiscal Year Ended June 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities:										
General government	\$ 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	\$ 1,394,269
Public safety	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	3,331,904
Transportation	-	-	-	-	-	-	-	-	1,050	897
Economic and physical development	818	818	-	-	-	-	-	-	-	-
Environmental protection	-	-	236,956	236,956	201,365	201,365	183,395	164,495	437,515	486,800
Human services	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	3,459,190
Cultural and recreational	281,442	281,442	632,596	632,596	532,636	532,636	545,080	542,612	537,577	507,899
Subtotal government activities	<u>12,813,021</u>	<u>13,456,418</u>	<u>12,037,043</u>	<u>14,361,507</u>	<u>13,230,307</u>	<u>16,221,618</u>	<u>15,164,642</u>	<u>13,847,682</u>	<u>13,598,615</u>	<u>9,180,959</u>
Business-type activities										
Landfill	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	3,309,942
Subtotal business-type activities	<u>4,122,341</u>	<u>4,186,567</u>	<u>4,258,692</u>	<u>3,712,573</u>	<u>3,598,966</u>	<u>3,542,594</u>	<u>3,531,411</u>	<u>3,286,645</u>	<u>3,279,974</u>	<u>3,309,942</u>
Total primary government	<u>\$ 16,935,362</u>	<u>\$ 17,642,985</u>	<u>\$ 16,295,735</u>	<u>\$ 18,074,080</u>	<u>\$ 16,829,273</u>	<u>\$ 19,764,212</u>	<u>\$ 18,696,053</u>	<u>\$ 17,134,327</u>	<u>\$ 16,878,589</u>	<u>\$ 12,490,901</u>

**ALAMANCE COUNTY, NORTH CAROLINA**

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

**Table 6**

<b>Fiscal Year Ended June 30</b>	<b>Property</b>	<b>Sales &amp; Use</b>	<b>Occupancy</b>	<b>Emergency Telephone<sup>a</sup></b>	<b>Real Estate Transfer</b>	<b>Other</b>	<b>Total</b>
2016	\$ 76,525,837	\$ 27,608,429	\$ 777,544	\$ -	\$ 639,085	\$ 95,200	\$ 105,646,095
2015	72,997,613	25,080,073	690,232	-	567,820	87,850	98,855,768
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
2007	61,903,922	26,378,154	572,772	408,082	683,365	57,484	90,003,779

<sup>a</sup> 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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government	\$ 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	\$ 10,670,206
Public safety	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	27,401,149
Transportation	802,261	562,629	791,878	765,536	843,824	873,491	407,971	397,369	410,587	182,881
Environmental protection	684,094	1,605,380	1,815,147	393,867	1,791,574	502,822	56,204	58,983	84,821	58,048
Economic and physical development	2,903,127	277,956	460,476	1,758,248	502,453	2,116,442	1,296,911	1,697,341	1,403,236	1,136,582
Human services	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	34,843,773
Cultural and recreational	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	3,375,087
Education	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	51,741,478
Debt service:										
Interest and fees	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	3,708,893
Total governmental activities	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	133,118,097
Landfill	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	2,466,688
Total business-type activities	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	2,466,688
Total primary government	\$ 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	\$ 135,584,785

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

**Table 8**

	Fiscal Year Ended June 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Program Revenues</b>										
Charges for services	\$ 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	\$ 12,490,901
Operating grants and contributions	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	22,719,164
Capital grants and contributions	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	1,835,891
<b>General Revenues</b>										
Taxes										
Property tax	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	61,819,265
Local option sales tax	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	26,378,154
Other taxes and licenses	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	1,721,703
Grants and contributions not restricted to specific programs	-	-	-	-	948,664	900,150	1,242,480	1,392,318	1,924,156	1,721,703
Unrestricted investment earnings	441,157	367,329	302,120	487,591	524,817	422,907	65,781	370,787	1,335,549	1,644,841
Miscellaneous	-	-	-	25,250	25,250	25,250	237,345	726,759	678,858	313,127
Special Items	-	2,374,090	-	-	-	-	-	-	-	-
Total	\$ 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	\$ 129,166,458

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

**Table 9**

Function	Fiscal Year Ended June 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government	\$ 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	\$ 11,040,856
Public safety	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	28,860,371
Transportation	382,450	395,263	434,365	437,093	402,868	425,755	407,971	397,369	410,587	182,881
Environmental protection	102,011	110,590	102,963	65,426	61,497	55,086	56,204	58,983	84,821	58,048
Economic and physical development	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	1,182,425
Human services	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	35,346,669
Cultural and recreational	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	4,054,430
Education	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	31,041,238
Debt service:										
Principal retirement	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	5,331,643
Interest and fees	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	3,621,578
Issuance costs	<u>- 6,597</u>	<u>3,653</u>		<u>329,582</u>	<u>1,798</u>	<u>- 127,978</u>	<u>22,964</u>	<u>-</u>		
Total	<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>\$ 143,566,866</u>	<u>\$ 133,017,902</u>	<u>\$ 133,677,305</u>	<u>\$ 129,271,381</u>	<u>\$ 120,720,139</u>

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

**Table 10**

Source	Fiscal Year Ended June 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Taxes:										
Property	\$ 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	\$ 61,903,922
Sales	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	26,378,154
Other Taxes & Licenses	<u>1,511,829</u>	<u>1,345,902</u>	<u>1,178,223</u>	<u>1,019,568</u>	<u>948,664</u>	<u>900,150</u>	<u>951,964</u>	<u>919,807</u>	<u>1,432,330</u>	<u>1,721,703</u>
Total taxes	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	90,003,779
Intergovernmental	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	21,975,024
Permits and fees	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	1,619,467
Sales and services	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	6,718,823
Investment earnings	422,198	362,419	299,144	482,991	521,302	384,203	73,260	384,227	1,597,120	1,334,564
Miscellaneous	<u>454,708</u>	<u>477,661</u>	<u>353,176</u>	<u>505,727</u>	<u>2,026,872</u>	<u>609,518</u>	<u>925,362</u>	<u>825,343</u>	<u>1,434,271</u>	<u>570,922</u>
Total	<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>	<u>\$ 122,222,579</u>

Revenues	\$ 150,956,804
Expenditures	<u>\$ 144,942,812</u>
	\$ 6,013,992
Capital Lease obligations issued	<u>543,603</u>
Change in Fund Balances	\$ 6,557,595

# ALAMANCE COUNTY, NORTH CAROLINA

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

(dollars in thousands)

Table 11

Fiscal Year Ended June 30	Assessed Value					Estimated Actual Value	Ratio of Assessed Value to Estimated Actual Value	Total Direct Tax Rate
	Real Property	Personal Property	Public Service Companies	Less: Abatements	Total Taxable Assessed Value			
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
2007	8,025,629	2,094,996	266,550	49,835	10,337,340	11,180,789	92.5%	0.5750

**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, 2009. Tax rates are per \$100 of assessed value.

## ALAMANCE COUNTY, NORTH CAROLINA

Principal Property Taxpayers  
Last Ten Fiscal Years

Table 12

Fiscal Year Ended June 30

Taxpayer	2016			2015			2014			2013			2012		
	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	\$ 178,040,337	1	1.37%	\$ 176,854,682	1	1.43%	\$ 177,916,847	1	1.44%	\$ 166,874,784	1	1.37%	\$ 102,601,369	2	0.84%
Duke Energy Corp.	158,969,764	2	1.22%	151,126,015	2	1.22%	142,000,754	2	1.15%	131,969,185	2	1.08%	125,384,481	1	1.03%
GKN Automotive	112,154,922	3	0.86%	101,338,395	3	0.82%	96,575,942	3	0.78%	101,642,958	3	0.83%	97,538,356	3	0.80%
Honda Power Equipment	97,514,033	4	0.75%	85,869,990	4	0.70%	82,370,318	4	0.67%	66,653,621	6	0.55%	81,093,469	4	0.67%
Alamance Crossing	67,546,431	5	0.52%	67,767,485	6	0.55%	68,233,529	6	0.55%	68,106,085	5	0.56%	57,096,385	6	0.47%
Liggett Group LLC	66,471,758	6	0.51%	58,453,566	7	0.47%	58,243,863	7	0.47%	53,148,075	7	0.44%	52,975,001	7	0.43%
Buckner C P Steele	62,782,177	7	0.48%	72,288,904	5	0.59%	73,072,867	5	0.59%	78,254,865	4	0.64%	59,602,023	5	0.49%
Sandvik	43,431,686	8	0.33%	49,370,927	8	0.40%	52,110,138	8	0.42%	49,927,286	8	0.41%	44,827,158	8	0.37%
WalMart Real Estate Business	39,665,601	9	0.30%	34,009,205	10	0.28%	33,855,210	10	0.27%	-	-	0.00%	-	-	0.00%
Tanger Outlet Center	36,909,963	10	0.28%	36,994,215	9	0.30%	37,196,862	9	0.30%	37,270,944	9	0.31%	36,039,238	10	0.30%
BellSouth	-	-	0.00%	-	-	0.00%	-	-	0.00%	35,358,611	10	0.29%	36,126,430	9	0.30%
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%
One Hundred Maple LLC	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%
Pedinis Inc	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%
Lowes of Burlington	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%
Culp	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%
Colonial Realty Ltd. Partnership	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%
	<u>\$ 863,486,672</u>		<u>6.64%</u>	<u>\$ 834,073,384</u>		<u>6.75%</u>	<u>\$ 821,576,330</u>		<u>6.65%</u>	<u>\$ 789,206,414</u>		<u>6.47%</u>	<u>\$ 693,283,910</u>		<u>5.69%</u>

Taxpayer	2011			2010			2009			2008			2007		
	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	\$ 187,172,134	1	1.55%	\$ 187,172,134	1	1.72%	\$ 114,738,552	1	1.05%	\$ 105,891,444	2	0.98%	\$ 102,981,940	2	0.99%
Duke Energy Corp.	125,227,605	2	1.03%	128,618,796	2	1.15%	110,939,039	2	1.01%	120,905,916	1	1.11%	120,728,872	1	1.16%
GKN Automotive	90,973,558	3	0.75%	99,658,127	3	0.73%	104,875,597	3	0.96%	92,454,208	3	0.85%	84,398,441	3	0.81%
Honda Power Equipment	55,839,674	4	0.46%	64,197,128	5	0.51%	64,900,948	4	0.59%	65,487,225	4	0.60%	65,561,883	4	0.63%
Alamance Crossing	54,545,213	5	0.45%	51,357,708	6	0.50%	34,476,802	7	0.31%	-	-	0.00%	-	-	0.00%
Liggett Group LLC	43,428,159	8	0.36%	44,663,253	7	0.40%	45,098,095	5	0.41%	43,434,078	6	0.40%	-	-	0.00%
Buckner C P Steele	48,652,966	6	0.40%	67,992,462	4	0.45%	-	-	0.00%	-	-	0.00%	-	-	0.00%
Sandvik	47,543,722	7	0.39%	42,681,804	9	0.44%	-	-	0.00%	-	-	0.00%	-	-	0.00%
WalMart Real Estate Business	-	-	0.00%	-	-	0.37%	-	-	0.00%	22,503,515	10	0.21%	-	-	0.00%
Tanger Outlet Center	-	-	0.00%	-	-	0.37%	-	-	0.00%	-	-	0.00%	-	-	0.00%
BellSouth	40,493,284	9	0.33%	43,877,228	8	0.37%	39,944,026	6	0.36%	46,093,059	5	0.42%	47,640,848	6	0.46%
Piedmont Natural Gas Co, Inc.	32,499,532	10	0.27%	31,279,735	10	0.37%	27,634,566	9	0.25%	30,932,949	8	0.28%	27,683,029	9	0.27%
Burlington Mall LLC	-	-	0.00%	-	-	0.37%	27,921,187	8	0.25%	33,010,312	7	0.30%	-	-	0.00%
Glen Raven Mills	-	-	0.00%	-	-	0.37%	26,368,905	10	0.24%	27,107,430	9	0.25%	37,696,013	7	0.36%
One Hundred Maple LLC	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	60,141,099	5	0.58%
Pedinis Inc.	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	33,762,002	8	0.32%
Lowes of Burlington	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	23,801,749	10	0.23%
Culp	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%
Colonial Realty Ltd. Partnership	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%
	<u>\$ 726,375,847</u>		<u>6.00%</u>	<u>\$ 761,498,375</u>		<u>6.09%</u>	<u>\$ 596,897,717</u>		<u>5.44%</u>	<u>\$ 587,820,136</u>		<u>5.42%</u>	<u>\$ 604,395,876</u>		<u>5.79%</u>

Source: Alamance County Tax Department

**ALAMANCE COUNTY, NORTH CAROLINA**

**Property Tax Levies and Collections  
Last Ten Fiscal Years**

**Table 13**

**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
2016	\$ 75,396,661	\$ 74,553,132	98.8%	\$ -	\$ 74,553,132	98.9%
2015	67,507,762	66,796,202	98.5%	658,023	67,454,225	99.9%
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%	2,238,632	63,289,195	99.8%
2008	61,198,987	59,202,640	96.7%	1,882,615	61,085,255	99.8%
2007	58,367,071	56,639,425	97.0%	1,619,777	58,259,202	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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>County Direct Rates</b>										
Alamance County	0.5800	0.5300	0.5400	0.5200	0.5200	0.5200	0.5200	0.5800	0.5800	0.5750
<b>City and Town Rates</b>										
City of Alamance	<u>0.2000</u>	<u>0.2000</u>	<u>0.2000</u>	<u>0.2000</u>	<u>0.2000</u>	<u>0.2000</u>	<u>0.2200</u>	<u>0.2400</u>	<u>0.2400</u>	<u>0.2400</u>
Total Direct and Overlapping	0.7800	0.7300	0.7400	0.7200	0.7200	0.7200	0.7400	0.8200	0.8200	0.8150
City of Burlington	<u>0.5800</u>	<u>0.5800</u>	<u>0.5800</u>	<u>0.5800</u>	<u>0.5800</u>	<u>0.5900</u>	<u>0.5900</u>	<u>0.6250</u>	<u>0.6250</u>	<u>0.6250</u>
Total Direct and Overlapping	1.1600	1.1100	1.1200	1.1000	1.1000	1.1100	1.1100	1.2050	1.2050	1.2000
City of Burlington - Downtown	<u>0.1600</u>	<u>0.1600</u>	<u>0.1600</u>	<u>0.1600</u>	<u>0.1600</u>	<u>0.1600</u>	<u>0.1600</u>	<u>0.1600</u>	<u>0.1600</u>	<u>0.1600</u>
Total Direct and Overlapping	0.7400	0.6900	0.7000	0.6800	0.6800	0.6800	0.6800	0.7400	0.7400	0.7350
City of Graham	<u>0.4550</u>	<u>0.4550</u>	<u>0.4400</u>	<u>0.4400</u>	<u>0.4400</u>	<u>0.4450</u>	<u>0.4450</u>	<u>0.4800</u>	<u>0.4800</u>	<u>0.4800</u>
Total Direct and Overlapping	1.0350	0.9850	0.9800	0.9600	0.9600	0.9650	0.9650	1.0600	1.0600	1.0550
Town of Elon	<u>0.4200</u>	<u>0.4200</u>	<u>0.4200</u>	<u>0.3700</u>	<u>0.3700</u>	<u>0.3700</u>	<u>0.3700</u>	<u>0.3700</u>	<u>0.3700</u>	<u>0.3700</u>
Total Direct and Overlapping	1.0000	0.9500	0.9600	0.8900	0.8900	0.8900	0.8900	0.9500	0.9500	0.9450
Town of Gibsonville	<u>0.5100</u>	<u>0.5100</u>	<u>0.5100</u>	<u>0.5150</u>	<u>0.5150</u>	<u>0.5100</u>	<u>0.5100</u>	<u>0.5150</u>	<u>0.5150</u>	<u>0.5150</u>
Total Direct and Overlapping	1.0900	1.0400	1.0500	1.0350	1.0350	1.0300	1.0300	1.0950	1.0950	1.0900
Town of Green Level	<u>0.3600</u>	<u>0.3400</u>	<u>0.3400</u>	<u>0.3400</u>	<u>0.3400</u>	<u>0.3400</u>	<u>0.3400</u>	<u>0.3400</u>	<u>0.3400</u>	<u>0.3000</u>
Total Direct and Overlapping	0.9400	0.8700	0.8800	0.8600	0.8600	0.8600	0.8600	0.9200	0.9200	0.8750
Town of Haw River	<u>0.4800</u>	<u>0.4800</u>	<u>0.4800</u>	<u>0.4500</u>	<u>0.4500</u>	<u>0.4500</u>	<u>0.4500</u>	<u>0.4800</u>	<u>0.4800</u>	<u>0.4500</u>
Total Direct and Overlapping	1.0600	1.0100	1.0200	0.9700	0.9700	0.9700	0.9700	1.0600	1.0600	1.0250
Town of Mebane	<u>0.4900</u>	<u>0.4900</u>	<u>0.4700</u>	<u>0.4700</u>	<u>0.4700</u>	<u>0.4700</u>	<u>0.4700</u>	<u>0.5000</u>	<u>0.5000</u>	<u>0.5000</u>
Total Direct and Overlapping	1.0700	1.0200	1.0100	0.9900	0.9900	0.9900	0.9900	1.0800	1.0800	1.0750
Town of Ossipee	<u>0.0725</u>	<u>0.0725</u>	<u>0.0725</u>	<u>0.0750</u>	<u>0.0750</u>	<u>0.0750</u>	<u>0.0750</u>	<u>0.0750</u>	<u>0.1500</u>	<u>0.1500</u>
Total Direct and Overlapping	0.6525	0.6025	0.6125	0.5950	0.5950	0.5950	0.5950	0.6550	0.7300	0.7250



**Fire District Rates**

54 East	<u>0.0900</u>	<u>0.0900</u>	<u>0.0900</u>	<u>0.0900</u>	<u>0.0900</u>	<u>0.0900</u>	<u>0.0900</u>	<u>0.1000</u>	<u>0.1000</u>	<u>0.1000</u>
Total Direct and Overlapping	0.6700	0.6200	0.6300	0.6100	0.6100	0.6100	0.6100	0.6800	0.6800	0.6750
Altamahaw-Ossipee	<u>0.1175</u>	<u>0.1175</u>	<u>0.1075</u>	<u>0.1075</u>	<u>0.1075</u>	<u>0.1025</u>	<u>0.1025</u>	<u>0.1000</u>	<u>0.0950</u>	<u>0.0950</u>
Total Direct and Overlapping	0.6975	0.6475	0.6475	0.6275	0.6275	0.6225	0.6225	0.6800	0.6750	0.6700
E.M. Holt	<u>0.1075</u>	<u>0.1075</u>	<u>0.1075</u>	<u>0.0975</u>	<u>0.0975</u>	<u>0.0800</u>	<u>0.0800</u>	<u>0.0800</u>	<u>0.0500</u>	<u>0.0700</u>
Total Direct and Overlapping	0.6875	0.6375	0.6475	0.6175	0.6175	0.6000	0.6000	0.6600	0.6300	0.6450
East Alamance	<u>0.1050</u>	<u>0.1050</u>	<u>0.0850</u>	<u>0.0850</u>	<u>0.0850</u>	<u>0.0850</u>	<u>0.0850</u>	<u>0.0850</u>	<u>0.0850</u>	<u>0.0850</u>
Total Direct and Overlapping	0.6850	0.6350	0.6250	0.6050	0.6050	0.6050	0.6050	0.6650	0.6650	0.6600
Eli Whitney/87 South	<u>0.0800</u>	<u>0.0800</u>	<u>0.0800</u>	<u>0.0800</u>	<u>0.0800</u>	<u>0.0800</u>	<u>0.0800</u>	<u>0.0800</u>	<u>0.0800</u>	<u>0.0800</u>
Total Direct and Overlapping	0.6600	0.6100	0.6200	0.6000	0.6000	0.6000	0.6000	0.6600	0.6600	0.6550
Elon	<u>0.1100</u>	<u>0.1100</u>	<u>0.1100</u>	<u>0.1050</u>	<u>0.1050</u>	<u>0.1050</u>	<u>0.1050</u>	<u>0.1050</u>	<u>0.1050</u>	<u>0.1050</u>
Total Direct and Overlapping	0.6900	0.6400	0.6500	0.6250	0.6250	0.6250	0.6250	0.6850	0.6850	0.6800
Faucette	<u>0.0925</u>	<u>0.0925</u>	<u>0.0925</u>	<u>0.0875</u>	<u>0.0875</u>	<u>0.0875</u>	<u>0.0875</u>	<u>0.0875</u>	<u>0.0875</u>	<u>0.0650</u>
Total Direct and Overlapping	0.6725	0.6225	0.6325	0.6075	0.6075	0.6075	0.6075	0.6675	0.6675	0.6400
Haw River	<u>0.1350</u>	<u>0.1350</u>	<u>0.1350</u>	<u>0.1350</u>	<u>0.1350</u>	<u>0.1350</u>	<u>0.1050</u>	<u>0.1050</u>	<u>0.1050</u>	<u>0.1050</u>
Total Direct and Overlapping	0.7150	0.6650	0.6750	0.6550	0.6550	0.6550	0.6250	0.6850	0.6850	0.6800
North Central Alamance	<u>0.1050</u>	<u>0.1050</u>	<u>0.1050</u>	<u>0.1050</u>	<u>0.1050</u>	<u>0.1050</u>	<u>0.1050</u>	<u>0.1050</u>	<u>0.1050</u>	<u>0.0950</u>
Total Direct and Overlapping	0.6850	0.6350	0.6450	0.6250	0.6250	0.6250	0.6250	0.6850	0.6850	0.6700
North Eastern Alamance	<u>0.0800</u>	<u>0.0800</u>	<u>0.0800</u>	<u>0.0700</u>	<u>0.0700</u>	<u>0.0700</u>	<u>0.0700</u>	<u>0.0700</u>	<u>0.0700</u>	<u>0.0700</u>
Total Direct and Overlapping	0.6600	0.6100	0.6200	0.5900	0.5900	0.5900	0.5900	0.6500	0.6500	0.6450
Snow Camp	<u>0.0950</u>	<u>0.0950</u>	<u>0.0950</u>	<u>0.0850</u>	<u>0.0850</u>	<u>0.0850</u>	<u>0.0850</u>	<u>0.8500</u>	<u>0.0850</u>	<u>0.0850</u>
Total Direct and Overlapping	0.6750	0.6250	0.6350	0.6050	0.6050	0.6050	0.6050	1.4300	0.6650	0.6600
Sweepsonville	<u>0.0900</u>	<u>0.0900</u>	<u>0.0900</u>	<u>0.0900</u>	<u>0.0900</u>	<u>0.0900</u>	<u>0.0900</u>	<u>0.1000</u>	<u>0.1000</u>	<u>0.1000</u>
Total Direct and Overlapping	0.6700	0.6200	0.6300	0.6100	0.6100	0.6100	0.6100	0.6800	0.6800	0.6750

**Source:** Alamance County Tax Department

**Note:** (1) Property was revalued 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 Loan Debt	Capital Leases	Percentage of Actual Property		Landfill Bonds	Total <sup>c</sup>	Percentage of Personal		Per Capita <sup>b</sup>
				Value <sup>a</sup>	Per Capita <sup>b</sup>			Income	Per Capita <sup>b</sup>	
2016	\$ 42,320,707	\$ 12,039,671	\$ 1,015,422	0.43%	\$ 351.54	\$ -	55,375,800	0.98%		351.54
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
2007	77,745,000	12,071,302		0.87%	634.90	-	89,816,302	2.04%		634.90

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

<sup>a</sup> See Table 11 for taxable property value data.

<sup>b</sup> Population and personal income data can be found in Table 18.

<sup>c</sup> 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**

**Table 16**

	Fiscal Year Ended June 30									
	<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>	<u>2007</u>
General bonded debt outstanding										
General obligation bonds	\$ 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	\$ 77,745,000
Percentage of estimated actual property value <sup>a</sup>	0.33%	0.37%	0.40%	0.46%	0.46%	0.50%	0.53%	0.64%	0.70%	0.75%
Per capita <sup>b</sup>	268.67	301.80	340.00	371.63	371.55	401.92	437.89	473.37	512.80	549.57
Total net debt applicable to debt limit	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	86,610,355
Legal debt limit <sup>c</sup>	<u>1,040,776,855</u>	<u>1,022,884,604</u>	<u>1,033,797,353</u>	<u>997,778,046</u>	<u>975,472,955</u>	<u>968,639,659</u>	<u>977,177,155</u>	<u>862,018,736</u>	<u>828,201,911</u>	<u>850,373,188</u>
Legal debt margin <sup>d</sup>	<u>\$ 998,456,148</u>	<u>\$ 975,867,527</u>	<u>\$ 981,558,906</u>	<u>\$ 940,908,479</u>	<u>\$ 893,059,876</u>	<u>\$ 880,684,726</u>	<u>\$ 890,411,828</u>	<u>\$ 778,720,515</u>	<u>\$ 735,897,338</u>	<u>\$ 763,762,833</u>
Legal debt margin as a percentage of the debt limit	95.93%	95.40%	94.95%	94.30%	91.55%	90.92%	91.12%	90.34%	88.85%	89.82%

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

<sup>a</sup> Property value can be found in Table 11

<sup>b</sup> Population data can be found in Table 18

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

<sup>d</sup> 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, 2016

**Table 17**

<b>Government Unit:</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Amount Applicable to County</b>
City of Burlington	7,803,000	100.00%	\$ 7,803,000
City of Mebane	215,000	70.00%	150,500
Subtotal overlapping debt			7,953,500
Alamance County direct debt			55,375,800
Total direct and overlapping debt			<u>\$ 63,329,300</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

<b>Fiscal Year Ended June 30</b>	<b>Population<sup>a</sup></b>	<b>Personal Income</b>	<b>Per Capita Personal Income<sup>b</sup></b>	<b>Median Age<sup>b</sup></b>	<b>School Enrollment<sup>c</sup></b>	<b>Unemployment Rate<sup>d</sup></b>
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%
2007	141,466	4,399,734,066	31,101	36.6	22,227	5.7%

### Sources:

<sup>a</sup> N. C. State Demographics Website

<sup>b</sup> State Data Center

<sup>c</sup> Alamance-Burlington School System with 2009 being estimated

<sup>d</sup> N.C. Department of Commerce, Labor & Economic Analysis Division

**ALAMANCE COUNTY, NORTH CAROLINA**

**Principal Employers  
Last Ten Fiscal Years**

**Table 19**

Fiscal Year Ended June 30															
Taxpayer	2016 <sup>a</sup>			2015 <sup>a</sup>			2014 <sup>a</sup>			2013 <sup>a</sup>			2012 <sup>a</sup>		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Alamance-Burlington School System	3,329	1	2.11%	3,329	1	2.18%	3,329	1	2.18%	3,260	1	2.13%	3,260	1	2.14%
Laboratory Corp. of America	2,500	2	1.59%	2,500	2	1.64%	2,500	2	1.64%	3,200	2	2.09%	3,200	2	2.10%
Alamance Regional Medical Center	2,240	3	1.42%	2,240	3	1.47%	2,240	3	1.47%	2,057	3	1.34%	2,057	3	1.35%
Elon University	1,403	4	0.89%	1,403	4	0.92%	1,403	4	0.92%	1,290	4	0.84%	1,290	4	0.85%
Wal-Mart	1,000	5	0.63%	1,000	5	0.66%	1,000	5	0.66%	1,000	6	0.65%	1,000	6	0.66%
Alamance County Government	956	6	0.61%	956	6	0.63%	956	6	0.63%	1,100	5	0.72%	1,100	5	0.72%
City of Burlington	806	7	0.51%	806	7	0.53%	806	7	0.53%	875	7	0.57%	875	7	0.57%
GKN Driveline North America	800	8	0.51%	800	8	0.52%	800	8	0.52%	500	10	0.33%	500	10	0.33%
Honda Power Equipment	750	9	0.48%	600	10	0.39%	600	10	0.39%	600	9	0.39%	675	8	0.44%
Alamance Community College	652	10	0.41%	652	9	0.43%	652	9	0.43%	664	8	0.43%	664	9	0.44%
General Electric Co.															
Gold Toe Moretz															
	14,436		9.43%	14,286		9.34%	14,286		9.34%	14,546		9.51%	14,621		9.59%
Taxpayer	2011 <sup>a</sup>			2010 <sup>a</sup>			2009 <sup>a</sup>			2008 <sup>a</sup>			2007 <sup>a</sup>		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Alamance-Burlington School System	3,260	2	2.15%	3,260	2	2.20%	3,260	1	2.28%	2,780	2	1.94%	2,700	2	1.92%
Laboratory Corp. of America	3,300	1	2.17%	3,300	1	2.22%	3,230	2	2.26%	3,200	1	2.24%	3,200	1	2.24%
Alamance Regional Medical Center	2,300	3	1.52%	2,300	3	1.55%	2,030	3	1.42%	1,700	3	1.19%	1,700	3	1.20%
Elon University	1,290	4	0.85%	1,290	4	0.87%	1,250	4	0.87%	1,083	5	0.76%	1,083	5	0.77%
Wal-Mart	1,100	5	0.72%	1,100	5	0.74%	1,100	6	0.77%	1,100	4	0.77%	1,100	4	0.78%
Alamance County Government	1,100	5	0.72%	1,100	5	0.74%	1,140	5	0.80%	1,020	6	0.71%	1,000	6	0.71%
City of Burlington	875	7	0.58%	875	7	0.59%	875	7	0.61%	875	7	0.61%	875	7	0.62%
GKN Automotive	500	10	0.33%	500	10	0.34%	500	10	0.35%	500	10	0.35%			
Honda Power Equipment	510	9	0.34%	510	9	0.34%	575	9	0.40%	575	9	0.40%	590	10	0.41%
Alamance Community College	600	8	0.40%	600	8	0.40%	600	8	0.42%	600	8	0.42%	596	9	0.42%
General Electric Co										500	10	0.35%			
Gold Toe Moretz													725	8	0.53%
	14,835		9.78%	14,835		10.00%	14,560		9.97%	13,933		9.73%	13,569		9.59%

Source:

<sup>a</sup> Alamance County Chamber of Commerce

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

**Table 20**

Function/Program	Fiscal Year Ended June 30									
	2016 <sup>a</sup>	2015 <sup>a</sup>	2014 <sup>a</sup>	2013 <sup>a</sup>	2012 <sup>a</sup>	2011	2010	2009	2008 <sup>a</sup>	2007
General Government										
County Commisioners	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Administration	3.00	2.50	2.50	3.00	3.00	3.00	3.00	3.00	4.00	4.00
Planning	2.00	2.00	2.00	2.00	2.50	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	5.00	5.00
Finance	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	10.00
Legal	3.00	3.00	3.00	3.00	5.00	5.00	5.00	5.00	5.00	5.00
Register of Deeds	10.50	10.50	10.50	10.50	10.50	11.50	11.50	11.50	11.50	11.50
Revaluation	1.50	0.00	0.00	0.00	0.00	0.00	5.00	5.00	3.00	0.00
MIS	20.00	18.00	18.00	18.00	19.00	19.00	20.00	20.00	19.00	19.00
Printing Services	1.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	0.75	0.75
Purchasing	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Tax Administration	28.00	27.00	27.00	27.00	30.50	30.50	26.00	26.00	29.00	29.00
GIS/Mapping	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00	0.00
Maintenance	12.00	12.00	12.00	12.00	14.00	14.00	13.50	13.50	13.50	13.50
Elections	17.00	17.75	18.00	19.68	27.00	4.50	4.50	4.50	3.50	3.00
Culture & Recreation										
Library	46.88	43.98	42.10	43.56	42.47	43.85	45.51	44.51	46.63	46.63
Recreation	22.92	23.08	25.72	27.22	34.50	16.00	16.00	15.00	15.00	15.00
Economic & Physical Development										
Cooperative Extension	4.75	4.75	4.50	3.97	8.00	8.00	8.00	8.00	7.50	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	6.00
Sheriff's Office	137.62	134.77	133.14	137.55	140.00	129.00	130.00	130.00	128.00	124.00
School Resource Officers	8.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00	6.00
Jail	128.56	126.90	126.90	134.83	133.50	132.00	135.50	135.50	135.00	135.50
Emergency Management	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fire Marshal	4.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
SARA Management	2.00	2.00	2.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Inspections	10.00	10.00	10.00	12.00	13.50	11.00	12.50	12.50	12.00	12.00
Emergency Medical Service	100.32	103.68	98.35	98.02	102.50	84.50	84.50	84.50	84.00	83.50
Central Communications	37.65	37.95	34.93	33.61	35.00	28.00	29.00	29.00	28.00	25.00
Human Services										
Health	85.00	84.63	85.33	87.83	88.38	89.00	90.50	90.50	89.50	88.50
WIC Program	16.00	17.00	16.80	16.80	15.00	15.25	11.00	11.00	10.00	10.00
Dental	12.00	12.00	12.00	11.50	11.30	10.80	10.75	10.00	11.00	11.00
Social Services	226.58	197.72	195.63	201.62	193.70	188.50	186.00	186.00	188.00	185.50
Social Services-Family Assessment	0.00	0.00	0.00	2.00	2.00	2.00	3.00	3.00	0.00	0.00
Social Services-SAMHSA	0.00	3.48	3.00	2.48	2.50	2.50	2.00	2.00	0.00	0.00
Veteran's Services	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	2.50	2.50
Landfill	18.50	19.00	18.00	19.00	18.00	17.50	17.50	17.50	18.00	18.00
Total	986.78	954.69	942.15	968.42	1000.10	916.15	922.01	919.26	908.38	894.38

Source: Alamance County Payroll Department.

Notes:

<sup>a</sup>As budgeted.

<sup>b</sup>Purchasing was separated from the Finance Department.

<sup>c</sup> Emergency Management was separated from the Fire Marshal Department.

**ALAMANCE COUNTY, NORTH CAROLINA**

**Operating Indicators by Function/Program  
Last Ten Fiscal Years**

**Table 21**

**Table 21**

<u>Function/Program</u>	<u>Fiscal Year Ended June 30</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>	<u>2007</u>
Fire protection:										
Number of stations	22	22	21	20	20	20	20	20	20	20
Number of fire personnel and officers	466	447	425	430	450	460	450	440	440	486
Number of calls answered	10,479	9,736	10,094	10,048	8,899	8,736	8,280	8,256	8,217	8,009
Number of inspections conducted	972	1,303	1,488	1,443	1,178	1,512	943	1,175	1,018	915
Sheriff protection:										
Number of Sheriff personnel and officers	268	278	267	283.4	271.5	268	272.5	272.5	269	265
Number of sworn officers	121	121	125	123	126	126	123	122	120	112
Number of law violations:										
Major offenses	963	958	1,594	1,639	1,155	1,565	2,599	2,256	1,797	2,118
Civil papers served	8,750	8,748	8,933	9,242	9,897	10,528	10,625	10,557	8,434	10,149
Traffic violations	1,512	1,233	1,726	1,831	1,283	1,381	1,424	1,021	3,600	3,400
Inspections:										
Building Permits-Residential <sup>a</sup>		342	308	290	196	215	247	219	396	495
Building Permits-Non-Residential <sup>a</sup>		15	10	18	8	11	8	9	31	54

**Source:** Various County Departments

**Note:**

<sup>a</sup> Building permits are accounted for the calendar year. Calendar 2016 information is not available.



**ALAMANCE COUNTY, NORTH CAROLINA**

**Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years**

**Table 22**

**Table 22**

<u>Function/Program</u>	<u>Fiscal Year Ended June 30</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>	<u>2007</u>
Sheriff protection										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol cars	127	114	114	109	114	114	102	102	100	100
Parks and recreation										
Acreage	798	657	628	454	454	469	470	468	468	487
Acreage-Leased*	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	8	8	7	9	9	9	9
Library										
Branches	5	5	5	5	5	5	5	5	5	5
Emergency Medical Services										
Number of stations	4	3	3	3	3	3	3	3	3	3
Number of ambulances	13	13	13	13	13	13	15	15	18	15
Number of medic trucks	7	7	7	6	6	6	5	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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# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

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

## **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, 2016, and the related notes to the financial statements, which collectively comprises Alamance County's basic financial statements, and have issued our report thereon dated January 30, 2017. 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 were not 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 item 2016-003, 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 noncompliance 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  
January 30, 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, 2016. 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, 2016.

### **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.

*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. *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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2016-001 and 2016-002 that we consider to be material weaknesses.

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

January 30, 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, 2016. 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, 2016.

### **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.

*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 State 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 State program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2016-001 and 2016-002 that we consider to be material weaknesses.

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  
January 30, 2017

# ALAMANCE COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

### 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? \_\_\_\_\_ Yes   X   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**

Medicaid Cluster  
Children's Health Insurance Program

#### **CFDA #**

93.778, 93.775, 93.777  
93.767

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, 2016

#### 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?        Yes   X   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:

Medical Assistance Program

Children's Health Insurance Program

**ALAMANCE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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**Section II – Financial Statement Findings**

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**Finding: 2016-003 – 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 second 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, 2015-002.

**Recommendation:** The County should budget a transfer to the fund to cover the deficit.

**Name of Contact Person:** Susan Roberts – Finance Director

**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, 2016

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#### Section III – Federal Award Findings and Questioned Costs

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##### **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: DMA 2016

##### **Finding: 2016-001**

##### **MATERIAL WEAKNESS**

**Criteria:** Management should have an adequate system of internal control procedures in place to ensure casefiles are complete for determining eligibility including residency forms, properly calculated budgets, income match verification, and verification of liquid assets. Management should ensure that such documentation is retained in the applicants' case file.

**Condition:** One applicant only had evidence of one form of residency in the file. Five of the applicants had budgets that had not been calculated properly. Also, one of those five applicants did not have evidence of income match verification performed. One of the applicants did not have evidence of liquid assets being verified during recertification. Upon further review, all seven applicants were determined to be eligible.

**Context:** Of the 16,723 casefiles, we examined 60 and determined that seven applicants lacked information available for eligibility determination. One applicant had documentation of only one form of residency in the file as being provided by the client. Five applicant files lacked a properly calculated budget. One of those five applicants also lacked income match verification. One applicant did not have liquid assets verified during recertification. Upon further review of client files and recalculation of budgets, all seven applicants' eligibility was able to be substantiated.

**Effect:** Casefiles could be missing the required documentation which would allow benefits to be provided to individuals who were not eligible.

**Cause:** Caseworker had improperly calculated the budget or did not obtain and retain two forms of residency, income match being completed, or verification of liquid assets.

**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 all items on their checklist of items required are contained in the casefile before approving benefits.

**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, 2016

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#### Section III – Federal Award Findings and Questioned Costs

---

##### **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: DMA 2016

##### **Finding: 2016-002**

##### **MATERIAL WEAKNESS**

**Criteria:** Management should have an adequate system of internal control procedures in place to ensure budgets are properly calculated for applicants during eligibility review process and such documentation is retained in the applicants' case file. Management should have an adequate system of internal control procedures in place to ensure exparte reviews are conducted timely.

**Condition:** One applicant had the budget improperly calculated in their case file during the fiscal year, and did not have an exparte review in a timely manner. Upon further review and recalculation, the applicant was still eligible for benefits.

**Context:** Of the 324 casefiles, we examined 60 and determined that the budget had not been properly calculated for one applicant, and the applicant did not have a timely exparte review completed. Upon further review of the client file, the applicant was still eligible for benefits.

**Effect:** Casefiles could contain incorrect budget calculations or no budget calculation thus making an applicant eligible when they should not be, or cause an applicant to be denied when they should be eligible.

**Cause:** Caseworker failed to calculate budget properly based on supporting documentation. Caseworker failed to timely conduct exparte review.

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

**Recommendation:** Caseworkers should look over their eligibility determinations and review their checklist of items required before approving benefits. Caseworkers should complete timely reviews.

**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, 2016

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#### Section IV – State Award Findings and Questioned Costs

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##### **N.C. Department of Health and Human Services**

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

**Finding: 2016-001** – Management should have an adequate system of internal control procedures in place to ensure casefiles are complete for determining eligibility including residency forms, properly calculated budgets, income match verification, and verification of liquid assets. Management should ensure that such documentation is retained in the applicants' case file. See more details at Finding 2016-001 in Section III – Federal Award Findings and Questioned Costs.

##### **N.C. Department of Health and Human Services**

**Program Name:** Children's Health Insurance Program

**Finding: 2016-002**– Management should have an adequate system of internal control procedures in place to ensure budgets are properly calculated for applicants during eligibility review process and such documentation is retained in the applicants' case file. Management should have an adequate system of internal control procedures in place to ensure exparte reviews are conducted timely. See more details at Finding 2016-002 in Section III – Federal Award Findings and Questioned Costs.

## ALAMANCE COUNTY, NORTH CAROLINA

### CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2016

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#### Section II – Financial Statement Findings

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**Finding:** 2016-003

**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.

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#### Section III – Federal Award Findings and Questioned Costs

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**Finding:** 2016-001

**Name of Contact Person:** Susan Osborne, DSS Director

**Corrective Action/Management's Response:** Management concurs with 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 reviews into our County performance measures to ensure compliance and monitoring of compliance standards.

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

**Finding:** 2016-002

**Name of Contact Person:** Susan Osborne, DSS Director

**Corrective Action/Management's Response:** 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 and we will strengthen the procedures and tracking around this process. Results will be compiled and provided to management for review. We will incorporate reviews into our County performance measures to ensure compliance and monitoring of compliance standards.

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

## **ALAMANCE COUNTY, NORTH CAROLINA**

### **CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2016**

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#### **Section IV – State Award Findings and Questioned Costs**

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**Finding: 2016-001**

See Finding 2016-001 in Section III – Federal Award Findings and Questioned Costs of the Corrective Action Plan.

**Finding: 2016-002**

See Finding 2016-002 in Section III – Federal Award Findings and Questioned Costs of the Corrective Action Plan.

# ALAMANCE COUNTY, NORTH CAROLINA

## SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2016

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### Section II – Financial Statement Findings

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**Finding:**                    **2015-001**

**Status:** Corrected

**Finding:**                    **2015-002**

**Status:** Repeated as finding 2016-003 in the current year, however, the CDBG fund is zeroed out so only the Employee Insurance ISF has a deficit in the current year.

**Finding:**                    **2015-003**

**Status:** Corrected

**Finding:**                    **2015-004**

**Status:** Corrected

## ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016

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
<b>Federal Awards:</b>					
<b><u>U. S. Department of Agriculture</u></b>					
<b><u>Food and Nutrition Service</u></b>					
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	WC302	\$ 1,286,361	\$ -	\$ -
Total Supplemental Nutrition Assist. Program Cluster			1,286,361	-	-
Passed-Through N.C. Department of Health and Human Services:					
Division of Public Health					
Administration:					
Special Supplemental Nutrition Program for Women,					
Infants, and Children	10.557	403 13A2 5403	787,793	-	-
Direct Benefit Payments:					
Special Supplemental Nutrition Program for Women,					
Infants, and Children	10.557	DPH WIC	3,662,610	-	-
Total U.S. Department of Agriculture			5,736,764	-	-
<b><u>U.S. Department of Justice</u></b>					
Direct Program:					
State Criminal Alien Assistance Program	16.606	#2015-AP-BX0378	8,431	-	-
Passed-Through N.C. Department of Public Safety:					
Violence Against Women Act Court Training & Improvement Grant	16.013	2014-VA-GX-0021	69,759	-	-
Total U.S. Department of Justice			78,190	-	-
<b><u>U.S. Department of Homeland Security</u></b>					
<b><u>Federal Emergency Management Agency</u></b>					
Passed-Through N.C. Department of Crime Control and Public Safety:					
Emergency Management Performance Grant	97.042	EMPG-2015-37001	17,917	-	-
Total U.S. Department of Homeland Security			17,917	-	-
<b><u>U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration:</u></b>					
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	9,700	-	-
Total U.S. Department of Transportation			9,700	-	-
<b><u>U. S. Department of Health and Human Services</u></b>					
<b><u>Administration for Children and Families</u></b>					
Passed-Through N.C. Department of Health and Human Services:					
Division of Social Services:					
Administration:					
Social Services Block Grant	93.667	WC302	435,063	71,300	-
Social Services Block Grant	93.667	2016-Region G-001	17,690	495	18,185
Promoting Safe and Stable Families	93.556	WC302	25,617	-	-
Child Support Enforcement	93.563	WC302	1,245,656	-	-
Refugee and Entrant Assistance- State Administered Program	93.566	WC302	636	-	-
Low Income Home Energy Assistance	93.568	WC302	1,368,523	-	-
Chafee Foster Care Independence Program- Administration	93.674	WC302	13,581	3,395	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WC302	52,551	-	-
Direct Benefits:					
Refugee and Entrant Assistance- State Administered Program	93.566	WC302	3,317	-	-
Chafee Foster Care Independence Program- Direct Benefits	93.674	WC302	9,029	-	-
Total Division of Social Services			3,171,663	75,190	18,185
<b><u>Temporary Assistance for Needy Families Cluster</u></b>					
Temporary Assistance for Needy Families (TANF) State Programs:					
Administration:					
Temporary Assistance for Needy Families	93.558	WC302	17,144	-	-
Temporary Assistance for Needy Families/ Work First	93.558	WC302	849,112	-	-
Direct Benefit Payments:					
Temporary Assistance for Needy Families/ Work First	93.558	WC302	737,028	35,864	-
Total Temporary Assistance for Needy Families Cluster			1,603,284	35,864	-
<b><u>Foster Care and Adoption Cluster<sup>3</sup>:</u></b>					
Division of Social Services:					
Foster Care Title IV-E - Administration	93.658	WC302	412,774	73,451	-
Foster Care Title IV-E - Direct Benefit Payments	93.658	WC302	375,888	101,211	-
Foster Care Title IV-E	93.658	WC302	334,877	-	-
Foster Care Title IV-E - Adoption	93.658	WC302	1,939	-	-
Adoption Assistance	93.659	WC302	31,792	-	-
Adoption Assistance-Direct Benefit Payments	93.659	WC302	886,644	229,845	-
Total Foster Care and Adoption Cluster <sup>3</sup>			2,043,914	404,507	-
<b><u>Subsidized Child Care Cluster<sup>3</sup></u></b>					
<b><u>Child Care Development Fund Cluster:</u></b>					
Division of Social Services:					
Child Care Mandatory and Matching Funds of the Child Care					
and Development Fund-Administration	93.596	WC302	214,146	(22,299)	-

## ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016

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 Child Development:					
Child Care and Development Block Grant-Discretionary	93.575	13801810TB01	2,033,177	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund-Mandatory	93.596	WC302	589,614	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund-Matching	93.596	WC302	1,199,302	497,739	-
Total Child Care Development Fund Cluster			4,036,239	475,440	-
Temporary Assistance for Needy Families	93.558	WC302	515,496	-	-
Foster Care Title IV-E - CPS	93.658	WC302	35,854	18,414	-
State Appropriations	XXXX		-	552,585	-
TANF - Maintenance of Effort	XXXX		-	347,365	-
Total Subsidized Child Care Cluster <sup>3</sup>			4,587,589	1,393,804	-
<b>Total Administration for Children and Families</b>			11,406,450	1,909,365	-
<b><u>Centers for Medicare and Medicaid Services</u></b>					
Passed-Through N.C. Department of Health and Human Services:					
Medicaid Cluster:					
Division of Medical Assistance:					
Direct Benefit Payments:					
Medical Assistance Program	93.778	WC302	120,051,632	64,828,226	-
Division of Social Services:					
Administration:					
Medical Assistance Program	93.778	WC302	70,307	-	-
Medical Assistance Program	93.778	WC302	3,167,904	45,465	-
Medical Assistance Program (DMA Equipment)	93.778	WC302	23,411	-	-
Total Medicaid Cluster			123,313,254	64,873,691	-
Division of Social Services:					
Direct Benefit Payments:					
Children's Health Insurance Program - N.C. Health Choice	93.767	WC302	2,118,757	667,298	-
Administration:					
Children's Health Insurance Program - N.C. Health Choice	93.767	WC302	61,912	1,609	-
Total Division of Medical Assistance			125,493,923	65,542,598	-
<b><u>Centers for Disease Control and Prevention</u></b>					
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	10,000	-	-
Immunization Cooperative Agreements	93.268	715 1331 631D	33,916	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	551 1460 272B	43	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	886 1261 5503	30,991	-	-
Public Health Emergency Preparedness	93.069	514 1264 2680	40,250	-	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	472 1175 837A	3,284	-	-
HIV Prevention Activities-Health Department Based	93.940	610 1311 981E	2,000	-	-
Preventive Health Services Sexually Transmitted Diseases Control Grants	93.977	610 1311 462	510	-	-
Total Division of Public Health			120,994	-	-
<b><u>Health Resources and Services Administration</u></b>					
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	83,737	47,899	-
<b><u>Office of the Population Affairs</u></b>					
Passed-Through N.C. Department of Health and Human Services:					
Division of Public Health:					
Family Planning Services	93.217	151 13A1 592	53,442	-	-
<b><u>Administration for Community Living</u></b>					
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 Access	93.044	2016-Region G-001	36,583	2,146	38,730
Special Programs for the Aging Title III, Part B-					
Grants for Supportive Services and Senior Centers Access	93.044	2016-Region G-001	124,807	154,528	279,335
Special Programs for the Aging-Title III, Part C1-Nutrition Services	93.045	2016-Region G-001	131,902	7,765	139,667
Special Programs for the Aging-Title III, Part C2-Nutrition Services	93.045	2016-Region G-001	59,038	105,277	164,315
Nutrition Services Incentive Program	93.053	2016-Region G-001	64,121	-	64,121
Total Aging Cluster			416,451	269,716	686,168
Total Administration for Community Living			416,451	269,716	686,168
<b>Total U. S. Department of Health and Human Services</b>			137,158,546	67,769,578	18,185
<b>Total Federal Awards</b>			143,417,568	67,769,578	704,353



## ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016

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
<b>State Awards:</b>					
<b><u>N.C. Department of Cultural and Natural Resources</u></b>					
Division of State Library:					
LSTA EZ Literacy & Lifelong Learning Grant	XXXX			49,980	-
State Aid to Public Libraries	XXXX			180,565	-
<b>Total N. C. Department of Cultural Resources</b>				<u>230,545</u>	<u>-</u>
<b><u>N.C. Department of Environmental Quality</u></b>					
Parks and Recreation Trust Fund	XXXX			171,318	-
Abandoned Mobile Home Grant	XXXX			15,575	15,575
NC PARTF Property Acquisition	XXXX			245,367	-
<b>Total N. C. Department of Environmental Quality</b>				<u>432,260</u>	<u>15,575</u>
<b><u>N.C. Department of Justice</u></b>					
NC Domestic Violence Victim Assistance Act	XXXX			71,208	-
<b>Total N. C. Department of Justice</b>				<u>71,208</u>	<u>-</u>
<b><u>N.C. Department of Health and Human Services</u></b>					
Division of Public Health:					
Food and Lodging Fees	XXXX			43,405	-
Child Health	XXXX			11,017	-
General Aid to Counties	XXXX			133,282	-
Public Health Nursing	XXXX			1,200	-
General Communicable Disease Control	XXXX			3,708	-
Sexually Transmitted Diseases	XXXX			1,673	-
Women's Health Service Fund	XXXX			17,084	-
School Nurse Funding Initiative	XXXX			100,000	-
Maternal Health (HMMC)	XXXX			16,438	-
HMMC-Family Planning	XXXX			10,222	-
Tuberculosis	XXXX			30,395	-
HIV/STD SSBG Aid	XXXX			12,500	-
TB Medical Service	XXXX			787	-
<b>Total Division of Public Health</b>				<u>381,711</u>	<u>-</u>
Division of Social Services:					
Administration:					
Energy Assist Private Grants	XXXX			4,010	-
Child Protective Services	XXXX			261,855	-
Smart Start	XXXX			72,203	-
AFDC Incent/Prog-Integrit	XXXX			3,125	-
Direct Benefit Payments:					
CWS Adopt Subsidy & Vendor	XXXX			278,093	-
FC At Risk Maximization	XXXX			6,644	-
SC/SA Domiciliary Care	XXXX			1,130,699	-
SFHF Maximization	XXXX			62,205	-
State Foster Home	XXXX			101,325	-
<b>Total Division of Social Services</b>				<u>1,920,159</u>	<u>-</u>
Division of Aging and Adult Services:					
Caregiver Match				10,166	-
In-Home Services State Funds				168,788	-
<b>Total Division of Aging and Adult Services</b>				<u>178,954</u>	<u>-</u>
<b>Total N.C. Department of Health and Human Services</b>				<u>2,480,824</u>	<u>-</u>
<b><u>N.C. Department of Public Instruction</u></b>					
Public School Building Capital Fund:					
Public School Building Capital Fund	XXXX			594,602	-
<b><u>N.C. Department of Transportation</u></b>					
Rural Operating Assistance Program (ROAP)					
ROAP Elderly and Disabled Transportation Assistance Program	XXXX	DOT-16CL		93,280	-
ROAP Rural General Public Program	XXXX	DOT-16CL		36,205	-
ROAP Work First Transitional- Employment					
Transportation Assistance Program	XXXX	DOT-16CL		36,849	-
<b>Total ROAP Cluster</b>				<u>166,334</u>	<u>-</u>
SR Division Construction					
SR 1581:Altamahaw-Ossippee VFD-Construct	XXXX	DOT-18		25,000	25,000
<b>Total N.C. Department of Transportation</b>				<u>191,334</u>	<u>25,000</u>
<b><u>N.C. Department of Public Safety</u></b>					
Passed through the Office of Juvenile Justice					
Juvenile Crime Prevention Council Program	XXXX			335,638	335,638
<b>Total State Awards</b>				<u>4,336,411</u>	<u>376,213</u>
<b>Total Federal and State Awards</b>				<u>\$ 143,417,568</u>	<u>\$ 72,105,989 \$ 1,080,566</u>

ALAMANCE COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016**

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
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**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, 2016. 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 financial 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 and Foster Care and Adoption