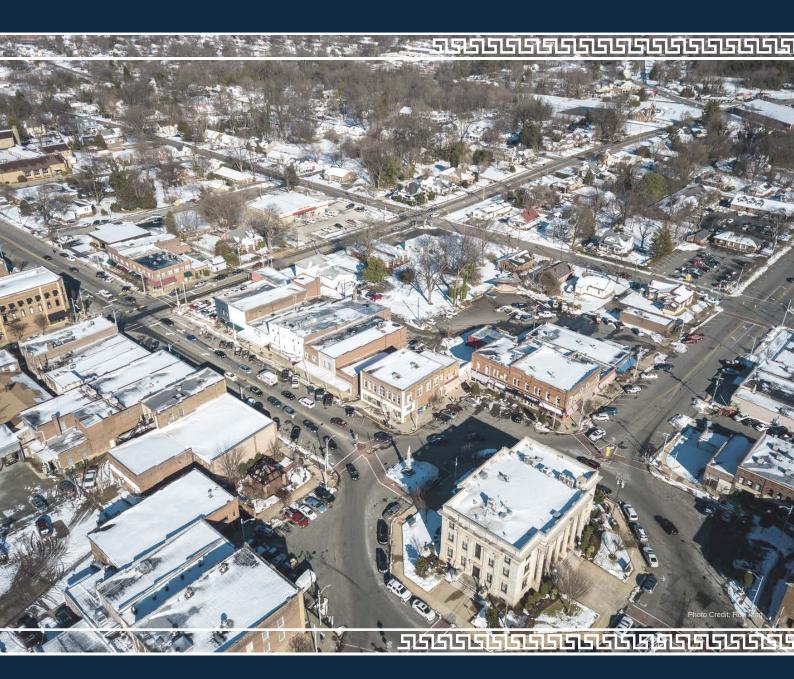
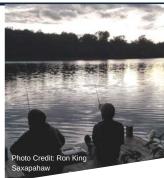
ALAMANCE COUNTY NORTH CAROLINA

CITIZENS' FINANCIAL REPORT



For the fiscal year ended June 30, 2018





City of Burlington Historic Depot

TABLE OF CONTENTS

- 1 Manager's Message
- 2 About Alamance County
- **3** Alamance County at a Glance
- 4 Economy and Industry
- 5 Alamance County Government Overview
- 6 Dollars In: General Fund Revenue
- 7 Dollars Out: General Fund Expenditures
- 9 Net Position: Governmental and Business-Type Activities
- 10 Income Statement: Combined Financial Statements
- 11 Fund Balance
- 12 Debt: How much do we owe?
- 13 In Conclusion

GFOA AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Alamance County for its Popular Annual Financial Report for the fiscal year ended June 30, 2017. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a popular annual financial report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

The Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The current report continues to conform to the popular annual financial reporting requirements and will be submitted to the GFOA to determine its eligibility for another certificate.

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Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to Alamance County Government North Carolina

> For its Annual Financial Report or the Fiscal Year Ended

June 30, 2017 Chuitophe P. Moniel

MANAGER'S MESSAGE

TO THE RESIDENTS OF ALAMANCE COUNTY

In an effort to provide transparency and accountability to our residents, Alamance County Government presents the 2017-18 Citizens' Financial Report. This report is an overview of the Comprehensive Annual Financial Report (CAFR) that was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and audited by Martin Starnes & Associates, CPAs, P.A., Information highlights the General Fund which accounts for the majority of operations for the County, but differs from the GAAP financial statements because accounting data has been summarized.

This past year, Alamance County has worked on several strategic initiatives ranging from supporting those with mental health concerns or opioid addiction to increasing trails and parks. A healthy economy has also provided a trend of growth and prosperity for our county. With increasing economic development of business and residential areas in our community, we are actively working to expand and improve our service delivery to meet the vital needs of our growing population.

We hope that this report is a reflection of our mission and the work our departments and partner organizations have provided to residents this year. We invite you to look over this basic report as well as the complete CAFR available on our website, and we encourage you to reach out to us with any questions you may have.

BRYAN HAGOOD

ALAMANCE COUNTY MANAGER

ALAMANCE COUNTY BOARD OF COMMISSIONERS 2017-18

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

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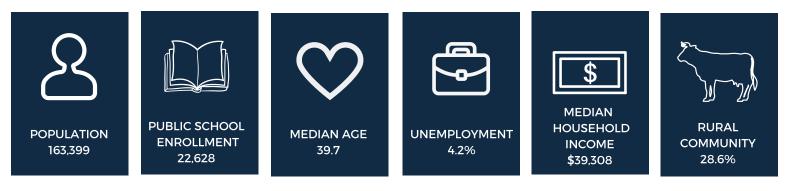


ABOUT ALAMANCE COUNTY

Alamance County is a growing community located in central North Carolina. It encompasses a land area of 431 square miles which includes both rural and urban areas. Its location off of the I-85/I-40 corridor between the Triangle and the Triad have helped to ensure its future with continued growth and development. Currently, Alamance County is home to approximately 163,000 residents with fifteen communities in diverse areas throughout the county.

Alamance County was formed in 1849, but its roots date back to the pre-Revolutionary War era and "The Battle of Alamance." Its history is rich with a hardworking community who provided for their families by working on farms or in textile mills. Economic and technological changes brought new growth and new opportunities for jobs and education.

County Government is responsible for providing citizens with a wide range of services including sheriff and fire protection, solid waste management, health and social services, and cultural and recreational activities. In addition to the direct services provided, the County also extends significant financial support to the school system, boards, agencies, and commissions.









ALAMANCE COUNTY AT A GLANCE

MUNICIPAL POPULATIONS

Burlington	51,703
Graham	14,812
Mebane	10,815
Elon	10,532
Gibsonville	3,477
Haw River	2,385
Green Level	2,115
Swepsonville	1,335

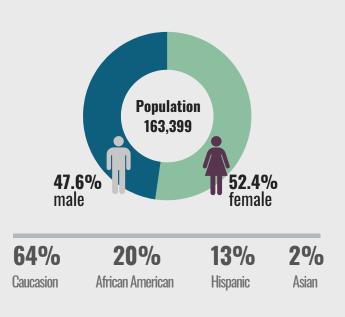
Alamance County is made up of a number of municipalities and towns with Burlington as the largest in population and Graham as the county seat.

Approximately 70% of residents live in urban areas predominantly along Interstate 40 with mostly rural areas in the northern and southern part of the county.

MEDIAN HOUSEHOLD INCOME



DEMOGRAPHICS







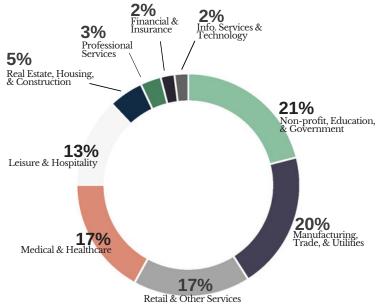


ECONOMY & INDUSTRY

This past year, Alamance County has seen an increase in job creation as well as a decrease in unemployment both of which have positively impacted the county's economy. While our economy has historically been driven by the textile industry, recent growth and development have brought a wider array of industries to the community including health care and education. The past five years have included major corporate announcements along with expansions of new and existing businesses and industries which has resulted in increased diverse job opportunities. Growth is expected to continue bringing increased property and sales tax revenues further strengthening the economy.

TOP EMPLOYERS

Alamance-Burlington School System	.3,500
LabCorp of America	3,000
Cone Health Alamance Regional	2,000
Elon University	1,500
Walmart Stores Inc	.1,200
City of Burlington	1,100
Alamance County Government	950
Honda	850
GKN Driveline North America	800
Alamance Community College	650



* See AlamanceChamber.com for additional economic development/industry information

EMPLOYMENT BY INDUSTRY







ALAMANCE COUNTY GOVERNMENT OVERVIEW

	2018	2017	2016
Public Safety			
911 *CAD entries	243,455	223,439	196,995
Emergency Management events	59	48	29
EMS calls for service	35,886	35,081	34,486
Fire inspections	925	1,506	942
Number of residential inspections	18,575	16,711	12,840
Sheriff calls for service	82,571	72,605	62,172
Economic and Physical Development			
Cooperative Extension residents served	15,926	14,516	13,698
Soil and Water customers assisted	5,107	9,320	8,561
Human Services			
Number of children in foster care	993	1,146	1,311
Number of Food & Nutrition Services applications	6,130	6,303	6,992
Health Clinic patients (unduplicated)	6,430	6,250	6,015
Family Justice Center clients served	1,425	1,583	606
Veterans served	6,468	5,508	3,841
Cultural and Recreational			
Library visitors	465,393	547,012	542,177
Park visitors	534,199	533,269	488,940

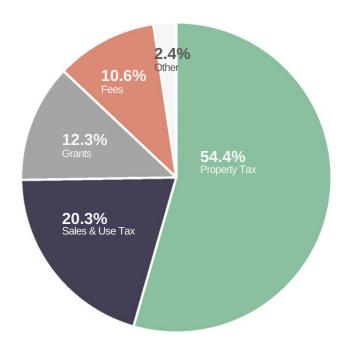
*CAD is the link between dispatchers and responders

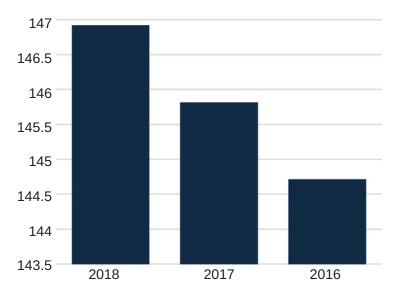
DOLLARS IN GENERAL FUND REVENUE

Alamance County Government's resources and services are funded through several different revenue streams. In fiscal year 2017-18, the county collected general fund revenues of \$146,920,065 with the majority received through property and sales and use taxes which makes up almost 75% of total revenue.

The County's property tax rate remained the same at .58 per \$100 valuation for fiscal year 2017-18. Other sources of revenue include grants, fees for service, and other various revenue streams. Decreased grant funding was due to state changes for Medicaid Transportation payments and Daycare Payments.

Government Activities Revenue	2018	2017	2016
Property Tax	\$79,987,712	\$77,536,930	\$76,525,837
Sales and Use Tax	29,828,338	28,159,495	27,608,429
Grants	18,071,523	24,598,059	26,028,624
Fees	15,547,730	12,571,963	11,912,197
Other	3,484,762	2,678,834	2,378,497
Total Revenue	\$146,920,065	\$145,815,319	\$144,712,413





*Amounts are expressed in millions

GOVERNMENTAL ACTIVITIES REVENUE





DOLLARS OUT GENERAL FUND EXPENDITURES

Alamance County Government provides a wide range of services to residents ranging from public safety, heath and social services, veterans support, and parks. The county also provides significant funding to the Alamance-Burlington School System and Alamance Community College.

The operating fund from which the County accounts for the money coming in and the expenditures paid out is the General Fund.

For Fiscal Year 2017-18, general fund expenditures totaled \$149,112,393. This increase of approximately \$5,000,000 or 3.35%, when compared to 2016-17 was primarily due to increased funding to the school system and public safety.

General Fund Services

GENERAL GOVERNMENT

- · Governing Body
- County Manager's Office
- Legal Department
- Human Resources
- Finance and Purchasing
- Tax Department
- Register of Deeds
- Board of Elections
- Information Technology
- Geographic Inf. Systems
- Maintenance

PUBLIC SAFETY

- Sheriff's Office
- Detention Facility
- School Resource Officers
- Judicial Services
- Central Communications (911)
- Emergency Medical Services
- Permits and Inspections
- Emergency Management
- Fire Marshal's Office

ECONOMIC & PHYSICAL DEVELOPMENT

- Planning
- Cooperative Extension
- Economic Development
- Soil Conservation
- Tourism Development Authority
- HUMAN SERVICES
- Public Health
- Dental Clinic
- Social Services
- Veterans' Services

CULTURAL SERVICES

- Libraries
- Parks

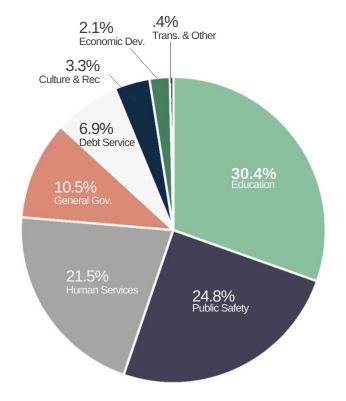
EDUCATION

- Public Schools
- Community College

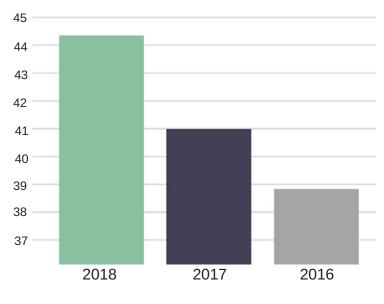
DOLLARS OUT GENERAL FUND EXPENDITURES

Government Activities Expenses	2018	2017	2016
General Government	\$15,580,626	\$15,964,205	\$13,842,837
Public Safety	37,083,685	33,448,614	30,336,574
Transportation	478,516	464,448	382,450
Environmental Protection	68,340	71,147	102,011
Economic & Physical Development	3,195,802	2,148,930	1,976,579
Human Services	31,395,230	36,408,854	36,408,188
Cultural & Recreation	5,565,255	4,545,456	4,562,065
Education	45,345,109	41,985,810	39,829,370
Debt Service	10,399,830	9,241,362	9,945,074
Total	\$149,112,393	\$144,278,826	\$137,385,148





EDUCATION FUNDING



*Amounts are expressed in millions

NET POSITION GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES

Alamance County's Net Position as discussed in the Management's Discussion and Analysis section of the Comprehensive Annual Financial Report provides insight into the County's financial position as of June 30, 2018. It includes a summary of what the County owns (assets and deferred outflows) and owes (liabilities and deferred inflows).

Total net position is the difference between Total assets (what we own), including Deferred outflows, and Total liabilities (what we owe), including Deferred inflows.

Balance Sheet	2018	2017	2016
Current assets	\$80,199,157	\$77,227,425	\$74,574,872
Non-current assets	71,489,941	74,761,728	75,163,029
Total assets	151,689,098	151,989,153	149,737,901
Deferred outflows	10,488,737	12,891,033	3,844,706
Current liabilities	2,830,835	2,887,342	2,159,639
Long-term liabilities	177,871,824	128,536,521	100,645,081
Total liabilities	180,702,659	131,423,863	102,804,720
Deferred inflows	9,451,596	607,195	1,705,358
Net position			
Invested in capital assets	63,374,046	68,981,608	68,120,137
Restricted	16,070,192	15,799,919	14,915,071
Unrestricted	(107,420,658)	(51,932,399)	(33,962,679)
Total over (under) net position	*\$(27,976,420)	\$32,849,128	\$49,072,529

*Implementation of GASB 75 in FY18 required a "restatement" that decreased our Net Position by \$58,561,180 to disclose our OPEB obligations.

INCOME STATEMENT COMBINED FINANCIAL STATEMENTS

Alamance County's Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental funds is similar to a corporate profit and loss report in that it reflects all revenues and expenditures during the fiscal year ended June 30, 2018.

As compared to 2017, total revenue increased 4%, mostly due to increased collections of property tax and sales and use tax, program fees and services as well as a contribution towards the Diversion and Restoration Center.

Statement of Revenues and Expenditures	2018	2017	2016
Revenues			
Property tax	\$ 85,315,860	\$ 82,647,767	\$ 81,404,277
Sales and use tax	29,828,338	28,159,495	27,608,429
Other taxes and licenses	1,856,364	1,662,790	1,511,829
Grants	20,505,950	27,027,144	27,643,166
Program fees and services	15,547,730	12,571,963	11,912,197
Other revenue	1,920,689	1,071,054	876,906
Contributions	1,200,000		
Total Revenue	155,914,992	153,140,213	150,956,804
Expenditures			
Governmental activities	99,456,270	98,526,500	92,810,517
Education	49,616,136	57,506,617	41,490,420
Debt service	10,399,830	10,060,285	10,641,875
Total expenditures	159,472,236	166,093,402	144,942,812
Revenues over (under) expenditures	(3,557,244)	(12,953,189)	6,013,992
Other Financing Sources	4,258,489	17,532,598	543,603
Net Change in Fund Balance	\$ 701,245	\$ 4,579,409	\$ 6,557,595

FUND BALANCE

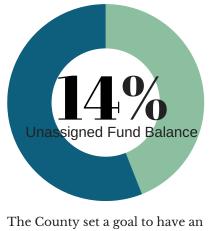
The County's fund balance consists of revenues that were not spent in previous years. Fund Balance is divided into five categories: non-spendable, restricted, committed, assigned, or unassigned. These classifications tell how much of the fund balance must be reserved for a specific use as required by the funding source, the Board, management, or the law.

Fund Balance may be "restricted" for a specific purpose because of the funding source and Fund Balance may be "committed" for a specific purpose by our governing body. North Carolina enacted a "stabilization" law that identifies a certain portion of fund balance as a "safety net" in case of emergencies, economic crises, or other circumstances that may impact the County's finances.

"Unassigned" describes the portion of Fund Balance that has no restrictions on how it may be used. In its fiscal policies, the County set a goal to have an unassigned general fund balance equal to 25% of general fund expenditures. That would mean that, if needed, the County had enough unassigned fund balance to pay for 3 months of operations.

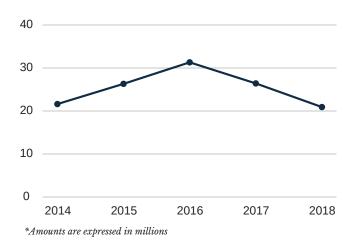
GENERAL FUND

Fund Balance	2018	2017	2016
Non-spendable:			
Notes Receivable	\$ 390,988		
Restricted:			
Stabilization by State Statute	11,455,111	\$11,152,730	\$10,709,212
Restricted, all other	3,228,097	3,030,708	2,909,255
Committed	1,114,195	7,467,331	1,488,962
Assigned	11,636,038		
Unassigned	20,885,793	26,350,853	31,207,283
Total Revenue	\$48,710,222	\$48,001,622	\$46,314,712



unassigned fund balance equal to 25% of the total of annual expenditures.

Unassigned Fund Balance



DEBT HOW MUCH DO WE OWE?

Alamance County builds and maintains facilities for our public schools, community college, criminal courts system, and county services through the issuance of debt. While the County pays the debt for school facilities, the building, land, etc., all property belongs to the school system or community college.

North Carolina state statutes limit the amount of general obligation outstanding debt to 8% of Alamance County's assessed valuation of property taxes. Our legal debt limit is \$1,099,993,710.

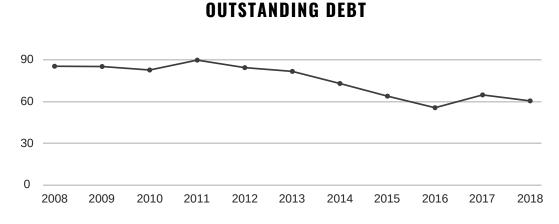
County debt is comprised of three components:

1. General Obligation Debt: Debt backed by the full faith and credit of the county. As of June 30, 2018, the county's general obligation debt is rated AA by Standard & Poor's rating agency and Aa2 by Moody's Investors. Bond ratings are similar to personal credit scores - the higher the bond rating, the lower the interest.

2. **Revolving and Installment Loan Debt**: Debt with fixed payments that the county uses for equipment purchases and facility construction.

3. Capital Leases: Leases with contract terms longer than a year are defined as capital leases, and the lease item is considered a purchased asset.

Outstanding Debt	2018	2017	2016
General Obligation Bonded Debt	\$47,932,174	\$53,426,960	\$42,320,707
Revolving & Installment Loan Debt	9,946,932	9,422,069	12,039,673
Capital Leases	2,336,724	1,688,251	964,542
Total Debt	\$60,215,830	\$64,537,280	\$55,324,922





*Amounts are expressed in millions



This brief overview primarily represents Alamance County's revenue and operating costs.

To learn more about the County's financial funds or view the 2017-18 Comprehensive Annual Financial Report, please visit the Alamance County Finance Department's website. www.alamance-nc.com/finance

ALAMANCE COUNTY IS COMMITTED TO:

Preserving Agriculture: A vibrant, protected rural economy supporting locally owned and operated farms

World Class Education: A commitment to world-class education to encourage a prosperous community and individual success for all from cradle to career

Smart Growth and Development: Planned growth that strikes a balance between a thriving economy and an appreciation of natural and agricultural resources

Public Health and Safety: Develop and implement activities that provide for the well-being of all citizens in a responsive, respectful, and engaged manner

Government Accountability and Resource Management: A commitment to provide leadership through innovative and effective management. Promote trust by providing transparency, openness, and appreciating citizen concerns.

Alamance County Government

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