

**ALAMANCE COUNTY  
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2018**

**PREPARED BY ALAMANCE COUNTY FINANCE DEPARTMENT**



ALAMANCE COUNTY, NORTH CAROLINA

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Alamance County, North Carolina  
Financial Statements and Schedules

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## ***INTRODUCTORY SECTION***

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

Alamance County, North Carolina  
Financial Statements and Schedules

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# ALAMANCE COUNTY

## Finance Department

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FAX (336) 570-6360

**Susan R. Evans**

Finance Officer

February 25, 2019

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, 2018. 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, 2018, 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, 2018 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.

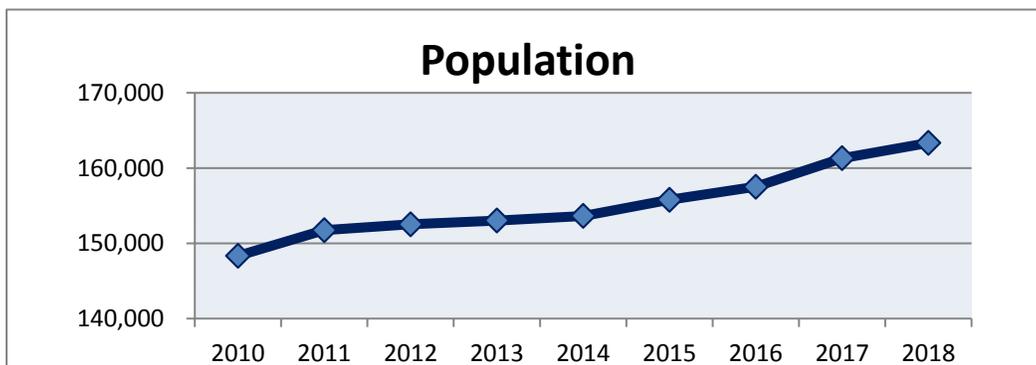
The County provides its citizens with a wide range of services including sheriff and fire protection, solid waste management, health and social services, cultural and recreational activities, general government administration, and others. In addition to the direct service provision provided, the County 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 2018 population for the County was 163,339, representing a 10.1% increase from the 2010 estimated population of 148,338. Projections indicate a constant level of growth for 2018-2019. 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 2018 was 4.2 percent as compared to 4.2 percent statewide.

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

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

Expected growth in the county will result in the continued increase in the tax base and our largest revenue source, property taxes. In the last revaluation of its property tax base whose values became effective January 1, 2017, the County saw the tax base grow by 9.1% to \$13.6 billion from the last revaluation completed in 2009. Our second largest revenue, sales tax, in recent years has been impacted by the economy. However, growth is returning. Sales tax has increased by 59% 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. In adopting the budget for FY 2017-2018, the Board of Commissioners approved maintaining an ad valorem tax rate of \$0.58.

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

## **The Future**

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The fiscal year 2018-2019 budget was adopted with a tax rate of \$0.59. Some major features of the 2018-2019 budget include:

- Personnel – 7 new positions, with the majority in Human Services. Also increases in the employer health insurance premium for employees.
- Capital Outlay – Allocation of \$45,000 for equipment, \$527,499 for emergency response vehicles, \$54,187 for building improvements, and \$207,150 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 2017 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 R. Evans  
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, 2017**

*Christopher P. Morill*

Executive Director/CEO

ALAMANCE COUNTY, NORTH CAROLINA

PRINCIPAL OFFICIALS

Board of County Commissioners 2017-2018

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

**County Administrative and Financial Staff**

---

J. Bryan Hagood, *County Manager*

Sherry T. Hook, *Assistant County Manager*

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

Clyde B. Albright, *County Attorney*

Tory M. Frink, *Clerk to the Board*

Susan R. Evans, *Finance Officer*

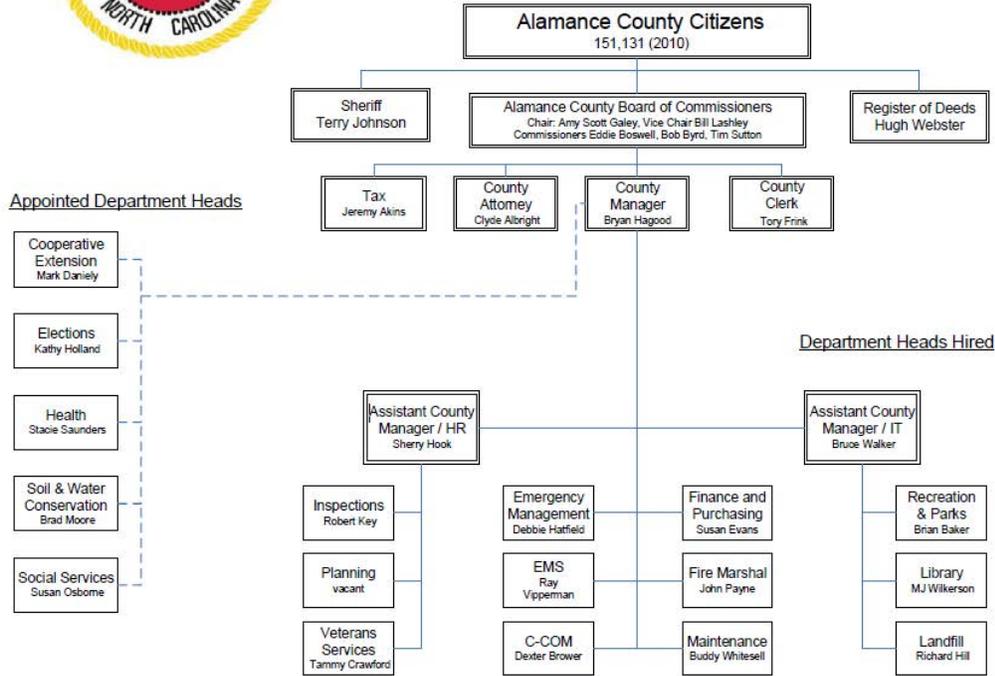
ALAMANCE COUNTY, NORTH CAROLINA

Organization Chart - June 30, 2018



# ALAMANCE COUNTY

## Organizational Chart



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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, 2018, 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 46.92%, 45.20%, and 77.40% 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As discussed in Note 16 to the financial statements, for fiscal year ending June 30, 2018, the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in the fiscal year ending June 30, 2018. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

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

*Supplementary and Other Information*

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

The combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, other supplemental schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, other supplemental schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2019 on our consideration of Alamance County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of Alamance County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Alamance County's internal control over financial reporting and compliance.

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, NC  
February 25, 2019

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, 2018. 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 \$(27,976,420) (net position).
- The government's total net position decreased by \$1,069,242, 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 \$53,785,815, an increase of \$701,245 in comparison with the prior year. Approximately 32% of this total amount, or \$17,335,822, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$20,885,793, or 14%, of total General Fund expenditures for the fiscal year.
- Alamance County's total bond and financing debt decreased by \$4,321,448 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.

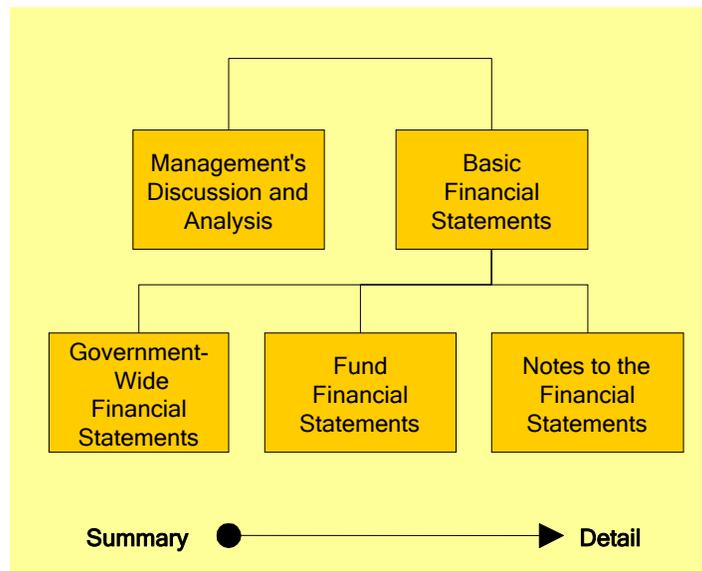
### Overview of the Financial Statements

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

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

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

## Government-Wide Financial Statements

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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 \$(27,976,420) as of June 30, 2018. The County's net position for governmental activities decreased by \$1,359,701 for the fiscal year ended June 30, 2018. One of the largest portions 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, 2018 include outstanding general obligation debt of approximately \$43 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**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 58,224,218	\$ 56,824,884	\$ 21,974,939	\$ 20,402,541	\$ 80,199,157	\$ 77,227,425
Capital assets	58,277,402	60,971,122	13,212,539	13,790,606	71,489,941	74,761,728
Total assets	<u>116,501,620</u>	<u>117,796,006</u>	<u>35,187,478</u>	<u>34,193,147</u>	<u>151,689,098</u>	<u>151,989,153</u>
Total deferred outflow s of resources	<u>10,300,002</u>	<u>12,652,569</u>	<u>188,735</u>	<u>238,464</u>	<u>10,488,737</u>	<u>12,891,033</u>
Long-term liabilities outstanding	164,383,256	116,671,505	13,488,568	11,865,016	177,871,824	128,536,521
Other liabilities	2,668,331	2,773,160	162,504	114,182	2,830,835	2,887,342
Total liabilities	<u>167,051,587</u>	<u>119,444,665</u>	<u>13,651,072</u>	<u>11,979,198</u>	<u>180,702,659</u>	<u>131,423,863</u>
Total deferred inflow s of resources	<u>9,263,653</u>	<u>596,647</u>	<u>187,943</u>	<u>10,548</u>	<u>9,451,596</u>	<u>607,195</u>
Net position:						
Net investment in capital assets	50,161,507	55,191,002	13,212,539	13,790,606	63,374,046	68,981,608
Restricted	16,070,192	15,799,919	-	-	16,070,192	15,799,919
Unrestricted	<u>(115,745,317)</u>	<u>(60,583,658)</u>	<u>8,324,659</u>	<u>8,651,259</u>	<u>(107,420,658)</u>	<u>(51,932,399)</u>
Total net position	<u>\$ (49,513,618)</u>	<u>\$ 10,407,263</u>	<u>\$ 21,537,198</u>	<u>\$ 22,441,865</u>	<u>\$ (27,976,420)</u>	<u>\$ 32,849,128</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 99.03%
- 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**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 16,837,626	\$ 13,537,104	\$ 4,349,317	\$ 4,475,466	\$ 21,186,943	\$ 18,012,570
Operating grants and contributions	18,390,020	25,259,644	184	-	18,390,204	25,259,644
Capital grants and contributions	3,055,991	1,497,462	-	-	3,055,991	1,497,462
Total program revenues	<u>38,283,637</u>	<u>40,294,210</u>	<u>4,349,501</u>	<u>4,475,466</u>	<u>42,633,138</u>	<u>44,769,676</u>
General revenues:						
Taxes:						
Property taxes for general purposes	85,894,808	82,311,523	-	-	85,894,808	82,311,523
Sales taxes for general purposes	29,828,338	28,159,495	-	-	29,828,338	28,159,495
Other taxes	1,856,364	1,662,790	-	-	1,856,364	1,662,790
Unrestricted investment earnings	857,082	602,665	59,873	21,343	916,955	624,008
Total revenues	<u>156,720,229</u>	<u>153,030,683</u>	<u>4,409,374</u>	<u>4,496,809</u>	<u>161,129,603</u>	<u>157,527,492</u>
<b>Expenses:</b>						
General government	16,870,586	19,620,632	-	-	16,870,586	19,620,632
Public safety	44,785,445	41,567,111	-	-	44,785,445	41,567,111
Transportation	1,052,686	1,022,227	-	-	1,052,686	1,022,227
Economic and physical development	3,764,031	2,643,119	-	-	3,764,031	2,643,119
Environmental protection	642,510	628,926	-	-	642,510	628,926
Human services	32,364,054	36,696,574	-	-	32,364,054	36,696,574
Cultural and recreational	6,449,687	4,667,289	-	-	6,449,687	4,667,289
Education	49,903,221	57,785,506	-	-	49,903,221	57,785,506
Interest on long-term debt	2,247,710	3,174,829	-	-	2,247,710	3,174,829
Landfill	-	-	4,118,915	3,962,316	4,118,915	3,962,316
Total expenses	<u>158,079,930</u>	<u>167,806,213</u>	<u>4,118,915</u>	<u>3,962,316</u>	<u>162,198,845</u>	<u>171,768,529</u>
Change in net position	<u>(1,359,701)</u>	<u>(14,775,530)</u>	<u>290,459</u>	<u>534,493</u>	<u>(1,069,242)</u>	<u>(14,241,037)</u>
<b>Net Position:</b>						
Beginning of year - July 1	10,407,263	27,165,157	22,441,865	21,907,372	32,849,128	49,072,529
Restatement	(58,561,180)	(1,982,364)	(1,195,126)	-	(59,756,306)	(1,982,364)
Beginning of year, as restated	<u>(48,153,917)</u>	<u>25,182,793</u>	<u>21,246,739</u>	<u>21,907,372</u>	<u>(26,907,178)</u>	<u>47,090,165</u>
End of year - June 30	<u>\$ (49,513,618)</u>	<u>\$ 10,407,263</u>	<u>\$ 21,537,198</u>	<u>\$ 22,441,865</u>	<u>\$ (27,976,420)</u>	<u>\$ 32,849,128</u>

**Governmental Activities.** Governmental activities decreased the County's net position by \$1,359,701. Key elements of the net decrease are as follows:

- Decreases in operating grants and contributions for state programs
- Increases in expenditures in public safety for capital purchases

**Business-Type Activities.** Business-type activities increased Alamance County's net position by \$290,459. 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 \$36,864,123, while total fund balance reached \$48,710,222, an increase of \$708,600 compared to the prior year. The County currently has an available fund balance of 24.7% of General Fund expenditures, while total fund balance represents 32.7% of the same amount.

At June 30, 2018, the governmental funds of Alamance County reported a combined fund balance of \$53,785,815 a 1.3% increase from last year. The reason for this increase of fund balance is the increase in the General Fund of \$708,600, an increase in the Schools Capital Projects Fund of \$1,807,271, an increase in the Renovation and Repair Projects Fund of \$138,223, and a decrease in other governmental funds of \$1,952,849. The increase in the General Fund is due to budgetary diligence as well as the increase in property tax and local option sales tax revenues received for the year. The increase in the Schools Capital Projects fund and the Renovation and Repair Projects Fund is due projects pending completion. The decrease in other governmental funds is due to the building completion of the Advanced Applied Technology Center for Alamance Community College.

**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 \$1,927,324 and expenditures by \$11,925,674. Other financing sources/uses increased by \$9,998,350.

**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 \$8,324,659, a decrease of \$326,600 compared to the prior year. The total increase in net position for the fund was \$290,459. Unrestricted net position of the internal service funds at the end of the year amounted to \$(1,438,404), an increase of \$169,067 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, 2018 totals \$71,478,353 (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
- Demolition of the Peak Resource Building

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

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 2,921,094	\$ 3,706,006	\$ 2,765,112	\$ 2,765,112	\$ 5,686,206	\$ 6,471,118
Construction in progress	-	-	117,025	304,707	117,025	304,707
Library books and audio/ visual materials	2,507,396	3,275,574	-	-	2,507,396	3,275,574
Buildings	30,562,216	33,188,238	974,556	709,141	31,536,772	33,897,379
Other improvements	9,171,845	9,363,245	20,255	25,322	9,192,100	9,388,567
Easements	881,277	254,896	-	-	881,277	254,896
Equipment	7,001,915	6,574,097	706,252	957,254	7,708,167	7,531,351
Vehicles and motor equipment	5,136,870	4,511,104	1,757,537	1,984,889	6,894,407	6,495,993
Infrastructure	94,789	97,962	-	-	94,789	97,962
Landfill	-	-	6,871,802	7,044,181	6,871,802	7,044,181
Total	<u>\$ 58,277,402</u>	<u>\$ 60,971,122</u>	<u>\$ 13,212,539</u>	<u>\$ 13,790,606</u>	<u>\$ 71,489,941</u>	<u>\$ 74,761,728</u>

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, 2018, Alamance County had total debt outstanding of \$60,215,832, 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	
	2018	2017	2018	2017	2018	2017
General obligation bonds, net	\$ 47,932,174	\$ 53,426,960	\$ -	\$ -	\$ 47,932,174	\$ 53,426,960
Installment financing agreements	4,656,105	2,988,027	-	-	4,656,105	2,988,027
Qualified school construction bonds	4,110,829	4,664,042	-	-	4,110,829	4,664,042
Capital leases	2,336,724	1,688,251	-	-	2,336,724	1,688,251
Recovery bonds	1,180,000	1,770,000	-	-	1,180,000	1,770,000
Total	<u>\$ 60,215,832</u>	<u>\$ 64,537,280</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,215,832</u>	<u>\$ 64,537,280</u>

Alamance County's total debt decreased by \$4,321,448 (6.7%) during the past fiscal year, due to the retirement of debt exceeding debt issued.

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 \$1,052,061,536.

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, 2019**

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**Governmental Activities.** Property taxes and sales tax revenues are expected to be the primary sources of revenue. The property tax rate was increased by 1 cent to 0.59 cents per one hundred dollars (\$100) valuation for next fiscal year. The budgeted revenues will experience an increase in the amount of \$4,635,038.

Budgeted expenditures in the General Fund are expected to increase by 3.17% to \$152,279,537. This increase in expenditures is due to increases in the employer health insurance premium for employees, additional funding to the school system, added positions, retention pay plans, 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 Evans  
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, 2018

			Total Primary Government	Component Units		Total Reporting Unit
	Governmental Activities	Business-Type Activities		Tourism Development Authority	Transportation Authority	
<b>Assets:</b>						
Current assets:						
Cash and cash equivalents	\$ 41,509,670	\$ 21,530,215	\$ 63,039,885	\$ 1,225,642	\$ 261,795	\$ 64,527,322
Receivables, net	12,367,449	444,724	12,812,173	50,191	255,409	13,117,773
Notes receivable- short term	60,152	-	60,152	-	-	60,152
Prepaid items	-	-	-	-	7,764	7,764
Restricted cash and cash equivalents	3,691,277	-	3,691,277	-	-	3,691,277
Total current assets	57,628,548	21,974,939	79,603,487	1,275,833	524,968	81,404,288
Noncurrent assets:						
Notes receivable- long term	330,836	-	330,836	-	-	330,836
Net pension asset - ROD	264,834	-	264,834	-	-	264,834
Capital assets:						
Land and other assets not being depreciated	2,921,094	2,882,137	5,803,231	-	-	5,803,231
Other capital assets, net of depreciation	55,356,308	10,330,402	65,686,710	17,496	618,409	66,322,615
Total capital assets	58,277,402	13,212,539	71,489,941	17,496	618,409	72,125,846
Total noncurrent assets	58,873,072	13,212,539	72,085,611	17,496	618,409	72,721,516
Total assets	116,501,620	35,187,478	151,689,098	1,293,329	1,143,377	154,125,804
<b>Deferred Outflows of Resources:</b>						
OPEB deferrals	1,504,227	30,699	1,534,926	-	-	1,534,926
Pension deferrals	8,250,353	158,036	8,408,389	-	-	8,408,389
Unamortized bond refunding charges	545,422	-	545,422	-	-	545,422
Total deferred outflows of resources	10,300,002	188,735	10,488,737	-	-	10,488,737
<b>Liabilities:</b>						
Current liabilities:						
Accounts payable and accrued expenses	2,668,331	162,504	2,830,835	2,790	62,810	2,896,435
Current portion of long-term liabilities	10,973,807	34,862	11,008,669	2,984	-	11,011,653
Long-term liabilities:						
Net pension liability - LGERS	9,928,024	202,613	10,130,637	-	-	10,130,637
Total pension liability - LEOSSA	3,599,354	-	3,599,354	-	-	3,599,354
Total OPEB liability	87,730,026	1,790,409	89,520,435	-	-	89,520,435
Due in more than one year	52,152,045	11,460,684	63,612,729	-	-	63,612,729
Total long-term liabilities	153,409,449	13,453,706	166,863,155	-	-	166,863,155
Total liabilities	167,051,587	13,651,072	180,702,659	5,774	62,810	180,771,243
<b>Deferred Inflows of Resources:</b>						
OPEB deferrals	8,903,082	181,695	9,084,777	-	-	9,084,777
Pension deferrals	360,571	6,248	366,819	-	-	366,819
Ticket sale revenue	-	-	-	-	18,562	18,562
Total deferred inflows of resources	9,263,653	187,943	9,451,596	-	18,562	9,470,158
<b>Net Position:</b>						
Net investment in capital assets	50,161,507	13,212,539	63,374,046	17,496	618,409	64,009,951
Restricted for:						
Stabilization by state statute	11,457,538	-	11,457,538	50,191	-	11,507,729
General government	145,789	-	145,789	-	-	145,789
Public safety	1,928,712	-	1,928,712	-	-	1,928,712
Economic and physical development	86,668	-	86,668	-	-	86,668
Human services	1,660,253	-	1,660,253	-	-	1,660,253
Tourism	-	-	-	1,219,868	-	1,219,868
Cultural and recreation	408,940	-	408,940	-	-	408,940
Register of Deeds' Pension Plan	382,292	-	382,292	-	-	382,292
Unrestricted	(115,745,317)	8,324,659	(107,420,658)	-	443,596	(106,977,062)
Total net position	\$ (49,513,618)	\$ 21,537,198	\$ (27,976,420)	\$ 1,287,555	\$ 1,062,005	\$ (25,626,860)

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

ALAMANCE COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018

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	\$ 16,870,586	\$ 2,458,780	\$ -	\$ -
Public safety	44,785,445	10,001,162	1,949,050	-
Transportation	1,052,686	-	-	-
Economic and physical development	3,764,031	30,086	-	-
Environmental protection	642,510	-	-	-
Human services	32,364,054	4,254,186	16,440,970	1,200,000
Cultural and recreational	6,449,687	93,412	-	-
Education	49,903,221	-	-	1,855,991
Interest on long-term debt	2,247,710	-	-	-
Total governmental activities	<u>158,079,930</u>	<u>16,837,626</u>	<u>18,390,020</u>	<u>3,055,991</u>
<b>Business-Type Activities:</b>				
Landfill	<u>4,118,915</u>	<u>4,349,317</u>	<u>184</u>	<u>-</u>
Total primary government	<u>\$ 162,198,845</u>	<u>\$ 21,186,943</u>	<u>\$ 18,390,204</u>	<u>\$ 3,055,991</u>
<b>Component Units:</b>				
Tourism Development Authority	\$ 362,635	\$ -	\$ -	\$ -
Transportation Authority	2,161,051	1,531,331	275,852	185,330
Total component units	<u>\$ 2,523,686</u>	<u>\$ 1,531,331</u>	<u>\$ 275,852</u>	<u>\$ 185,330</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, 2018

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	\$ (14,411,806)	\$ -	\$ (14,411,806)	\$ -	\$ -	\$ (14,411,806)
Public safety	(32,835,233)	-	(32,835,233)	-	-	(32,835,233)
Transportation	(1,052,686)	-	(1,052,686)	-	-	(1,052,686)
Economic and physical development	(3,733,945)	-	(3,733,945)	-	-	(3,733,945)
Environmental protection	(642,510)	-	(642,510)	-	-	(642,510)
Human services	(10,468,898)	-	(10,468,898)	-	-	(10,468,898)
Cultural and recreational	(6,356,275)	-	(6,356,275)	-	-	(6,356,275)
Education	(48,047,230)	-	(48,047,230)	-	-	(48,047,230)
Interest on long-term debt	(2,247,710)	-	(2,247,710)	-	-	(2,247,710)
Total governmental activities	<u>(119,796,293)</u>	<u>-</u>	<u>(119,796,293)</u>	<u>-</u>	<u>-</u>	<u>(119,796,293)</u>
<b>Business-Type Activities:</b>						
Landfill	-	230,586	230,586	-	-	230,586
Total primary government	<u>(119,796,293)</u>	<u>230,586</u>	<u>(119,565,707)</u>	<u>-</u>	<u>-</u>	<u>(119,565,707)</u>
<b>Component Units:</b>						
Tourism Development Authority				(362,635)	-	(362,635)
Transportation Authority				-	(168,538)	(168,538)
Total component units				<u>(362,635)</u>	<u>(168,538)</u>	<u>(531,173)</u>
<b>General Revenues:</b>						
Taxes:						
Property taxes, levied for general purposes	85,894,808	-	85,894,808	-	-	85,894,808
Local option sales tax	29,828,338	-	29,828,338	-	-	29,828,338
Other taxes and licenses	1,856,364	-	1,856,364	584,384	-	2,440,748
Investment earnings, unrestricted	857,082	59,873	916,955	4,695	10	921,660
Gain on disposal	-	-	-	-	33,228	33,228
Miscellaneous	-	-	-	2,347	-	2,347
Total general revenues	<u>118,436,592</u>	<u>59,873</u>	<u>118,496,465</u>	<u>591,426</u>	<u>33,238</u>	<u>119,121,129</u>
Change in net position	<u>(1,359,701)</u>	<u>290,459</u>	<u>(1,069,242)</u>	<u>228,791</u>	<u>(135,300)</u>	<u>(975,751)</u>
<b>Net Position:</b>						
Beginning of year - July 1	10,407,263	22,441,865	32,849,128	1,058,764	1,197,305	35,105,197
Restatement	<u>(58,561,180)</u>	<u>(1,195,126)</u>	<u>(59,756,306)</u>	<u>-</u>	<u>-</u>	<u>(59,756,306)</u>
Beginning of year - restated	<u>(48,153,917)</u>	<u>21,246,739</u>	<u>(26,907,178)</u>	<u>1,058,764</u>	<u>1,197,305</u>	<u>(24,651,109)</u>
End of year - June 30	<u>\$ (49,513,618)</u>	<u>\$ 21,537,198</u>	<u>\$ (27,976,420)</u>	<u>\$ 1,287,555</u>	<u>\$ 1,062,005</u>	<u>\$ (25,626,860)</u>

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, 2018

	Major			Nonmajor	Total Governmental Funds
	General Fund	Schools Capital Projects Fund	Renovation and Repair Projects Fund	Other Governmental Funds	
<b>Assets:</b>					
Cash and cash equivalents	\$ 35,766,203	\$ 2,201,531	\$ 233,115	\$ 2,659,020	\$ 40,859,869
Taxes receivable, net	1,598,305	-	-	208,055	1,806,360
Receivables, net	9,832,296	-	-	2,427	9,834,723
Notes receivable	390,988	-	-	-	390,988
Due from other governments	717,447	-	-	-	717,447
Due from other funds	1,733,601	-	-	-	1,733,601
Restricted cash and cash equivalents	3,648,458	-	-	42,819	3,691,277
Total assets	<u>\$ 53,687,298</u>	<u>\$ 2,201,531</u>	<u>\$ 233,115</u>	<u>\$ 2,912,321</u>	<u>\$ 59,034,265</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 1,427,387	\$ -	\$ 439	\$ 62,880	\$ 1,490,706
<b>Deferred Inflows of Resources:</b>					
Taxes receivable	1,598,305	-	-	208,055	1,806,360
EMS receivable	1,240,904	-	-	-	1,240,904
Other accounts receivable	710,480	-	-	-	710,480
Total deferred inflows of resources	<u>3,549,689</u>	<u>-</u>	<u>-</u>	<u>208,055</u>	<u>3,757,744</u>
<b>Fund Balances:</b>					
Non-spendable - not in spendable form:					
Notes receivable	390,988	-	-	-	390,988
Restricted:					
Stabilization by state statute	11,455,111	-	-	2,427	11,457,538
Restricted, all other	3,228,097	-	-	1,059,199	4,287,296
Committed	1,114,195	2,201,531	232,676	1,579,760	5,128,162
Assigned	11,636,038	-	-	-	11,636,038
Unassigned	20,885,793	-	-	-	20,885,793
Total fund balances	<u>48,710,222</u>	<u>2,201,531</u>	<u>232,676</u>	<u>2,641,386</u>	<u>53,785,815</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 53,687,298</u>	<u>\$ 2,201,531</u>	<u>\$ 233,115</u>	<u>\$ 2,912,321</u>	<u>\$ 59,034,265</u>

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

ALAMANCE COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2018

	<u>Total Governmental Funds</u>
<b>Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position:</b>	
Total fund balance, governmental funds	\$ 53,785,815
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.	58,277,402
Deferred charges on refunding reported in governmental activities are not reported in the funds.	545,422
Net pension asset - ROD	264,834
Net pension liability - LGERS	(9,928,024)
Total pension liability - LEOSSA	(3,599,354)
Deferred outflows of resources related to pensions are not reported in the funds.	8,250,353
Deferred outflows of resources related to OPEB are not reported in the funds.	1,504,227
Deferred inflows related to pensions are not reported in the funds.	(360,571)
Deferred inflows related to OPEB are not reported in the funds.	(8,903,082)
Assets and liabilities of the Internal Service Fund used by management to account for insurance costs are included in governmental activities in the Statement of Net Position.	(1,438,404)
Other long-term assets are not available to pay for current expenditures and, therefore, are deferred inflows of resources in the funds.	3,757,744
Total OPEB liability	(87,730,026)
Long-term liabilities and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(63,125,852)
Other long-term liabilities (accrued interest) are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(814,102)</u>
Net position of governmental activities	<u>\$ (49,513,618)</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, 2018

	Major			Nonmajor	Total Governmental Funds
	General Fund	Schools Capital Projects Fund	Renovation and Repair Projects Fund	Other Governmental Funds	
<b>Revenues:</b>					
Ad valorem taxes	\$ 79,987,712	\$ -	\$ -	\$ 5,328,148	\$ 85,315,860
Local option sales taxes	29,828,338	-	-	-	29,828,338
Other taxes and licenses	1,856,364	-	-	-	1,856,364
Unrestricted intergovernmental	259,939	-	-	-	259,939
Restricted intergovernmental	17,811,584	1,855,991	-	578,436	20,246,011
Permits and fees	1,607,876	-	-	-	1,607,876
Sales and services	13,939,854	-	-	-	13,939,854
Contributions	-	-	-	1,200,000	1,200,000
Investment earnings	814,830	175	-	32,177	847,182
Miscellaneous	813,568	-	-	-	813,568
Total revenues	<u>146,920,065</u>	<u>1,856,166</u>	<u>-</u>	<u>7,138,761</u>	<u>155,914,992</u>
<b>Expenditures:</b>					
Current:					
General government	15,580,626	-	111,777	-	15,692,403
Public safety	37,083,685	-	-	5,977,039	43,060,724
Transportation	478,516	-	-	-	478,516
Environmental protection	68,340	-	-	-	68,340
Economic and physical development	3,195,802	-	-	-	3,195,802
Human services	31,395,230	-	-	-	31,395,230
Cultural and recreation	5,565,255	-	-	-	5,565,255
Education	45,345,109	1,468,323	-	2,802,704	49,616,136
Debt service:					
Principal	8,065,151	-	-	-	8,065,151
Interest and other charges	2,334,679	-	-	-	2,334,679
Total expenditures	<u>149,112,393</u>	<u>1,468,323</u>	<u>111,777</u>	<u>8,779,743</u>	<u>159,472,236</u>
Revenues over (under) expenditures	<u>(2,192,328)</u>	<u>387,843</u>	<u>(111,777)</u>	<u>(1,640,982)</u>	<u>(3,557,244)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers from other funds	450,368	1,869,796	250,000	1,557,929	4,128,093
Transfers to other funds	(1,807,929)	(450,368)	-	(1,869,796)	(4,128,093)
Long-term debt issued	3,019,810	-	-	-	3,019,810
Capital lease obligations issued	1,238,679	-	-	-	1,238,679
Total other financing sources (uses)	<u>2,900,928</u>	<u>1,419,428</u>	<u>250,000</u>	<u>(311,867)</u>	<u>4,258,489</u>
Net change in fund balances	708,600	1,807,271	138,223	(1,952,849)	701,245
<b>Fund Balances:</b>					
Beginning of year - July 1	<u>48,001,622</u>	<u>394,260</u>	<u>94,453</u>	<u>4,594,235</u>	<u>53,084,570</u>
End of year - June 30	<u>\$ 48,710,222</u>	<u>\$ 2,201,531</u>	<u>\$ 232,676</u>	<u>\$ 2,641,386</u>	<u>\$ 53,785,815</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, 2018**

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)	\$ 701,245
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	3,916,014
Loss on the disposal of capital assets during the year, not recognized on the modified accrual basis	(2,068,025)
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(4,541,709)
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	578,948
Change in deferred outflow - pension	(4,087,840)
Change in deferred inflows - pension	223,499
Change in net pension asset (liability)	3,350,363
Expenses related to compensated absences that do not require current financial are not reported as expenditures in the governmental funds statement.	94,321
Pension expense - LEOSSA	(136,390)
OPEB plan expense	(3,889,694)
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.	8,065,151
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.	(4,258,489)
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.	514,786
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.	86,969
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>169,067</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ (1,359,701)</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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Ad valorem taxes	\$ 78,983,486	\$ 79,158,486	\$ 79,987,712	\$ 829,226
Local option sales taxes	27,531,879	27,531,879	29,828,338	2,296,459
Other taxes and licenses	1,456,500	1,711,500	1,856,364	144,864
Unrestricted intergovernmental	250,000	250,000	259,939	9,939
Restricted intergovernmental	17,973,099	19,832,908	17,811,584	(2,021,324)
Permits and fees	1,565,000	1,591,000	1,607,876	16,876
Sales and services	11,581,513	10,748,441	13,939,854	3,191,413
Investment earnings	405,589	405,589	814,830	409,241
Miscellaneous	304,307	748,894	813,568	64,674
Total revenues	<u>140,051,373</u>	<u>141,978,697</u>	<u>146,920,065</u>	<u>4,941,368</u>
<b>Expenditures:</b>				
Current:				
General government	15,321,689	18,307,593	15,580,626	2,726,967
Public safety	35,130,196	39,492,018	37,083,685	2,408,333
Transportation	427,488	478,821	478,516	305
Environmental protection	68,340	68,340	68,340	-
Economic and physical development	1,977,606	3,444,156	3,195,802	248,354
Human services	34,586,488	36,394,183	31,985,436	4,408,747
Cultural and recreational	4,827,994	5,868,430	5,565,255	303,175
Intergovernmental:				
Education	45,345,109	45,345,109	45,345,109	-
Debt service:				
Principal	7,273,980	7,474,946	7,474,945	1
Interest and other charges	2,305,609	2,338,223	2,334,679	3,544
Contingency	130,000	108,354	-	108,354
Total expenditures	<u>147,394,499</u>	<u>159,320,173</u>	<u>149,112,393</u>	<u>10,207,780</u>
Revenues over (under) expenditures	<u>(7,343,126)</u>	<u>(17,341,476)</u>	<u>(2,192,328)</u>	<u>15,149,148</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	450,598	450,598	450,368	(230)
Transfers (to) other funds	(250,000)	(1,807,929)	(1,807,929)	-
Long-term debt issued	-	3,019,810	3,019,810	-
Capital lease obligations issued	-	1,435,174	1,238,679	(196,495)
Appropriated fund balance	7,142,528	14,243,823	-	(14,243,823)
Total other financing sources (uses)	<u>7,343,126</u>	<u>17,341,476</u>	<u>2,900,928</u>	<u>(14,440,548)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	708,600	<u>\$ 708,600</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			48,001,622	
End of year - June 30			<u>\$ 48,710,222</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, 2018

	<u>Major Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Landfill Fund</u>	<u>Internal Service Funds</u>
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 21,530,215	\$ 649,801
Receivables, net	444,724	8,919
Total current assets	<u>21,974,939</u>	<u>658,720</u>
Non-current assets:		
Capital assets:		
Land and other assets not depreciated	2,882,137	-
Other capital assets, net of depreciation	10,330,402	-
Total capital assets	<u>13,212,539</u>	<u>-</u>
Total non-current assets	<u>13,212,539</u>	<u>-</u>
Total assets	<u>35,187,478</u>	<u>658,720</u>
<b>Deferred Outflows of Resources:</b>		
OPEB deferrals	30,699	-
Pension deferrals	158,036	-
Total deferred outflows of resources	<u>188,735</u>	<u>-</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable	162,504	363,523
Compensated absences payable	34,862	-
Due to other funds	-	1,733,601
Total current liabilities	<u>197,366</u>	<u>2,097,124</u>
Non-current liabilities:		
Net pension liability	202,613	-
Accrued landfill closure and post-closure care costs	11,432,160	-
Compensated absences payable	28,524	-
Total OPEB liability	1,790,409	-
Total non-current liabilities	<u>13,453,706</u>	<u>-</u>
Total liabilities	<u>13,651,072</u>	<u>2,097,124</u>
<b>Deferred Inflows of Resources:</b>		
OPEB deferrals	181,695	-
Pension deferrals	6,248	-
Total deferred inflows of resources	<u>187,943</u>	<u>-</u>
<b>Net Position:</b>		
Investment in capital assets	13,212,539	-
Unrestricted	8,324,659	(1,438,404)
Total net position	<u>\$ 21,537,198</u>	<u>\$ (1,438,404)</u>

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

## ALAMANCE COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	<b>Major Enterprise Fund</b>	<b>Governmental Activities</b>
	<b>Landfill Fund</b>	<b>Internal Service Funds</b>
<b>Operating Revenues:</b>		
Landfill user charges	\$ 3,834,747	\$ -
Insurance premiums	-	10,816,509
Scrap tire disposal grant	184	-
Miscellaneous	514,570	2,936
Total operating revenues	<u>4,349,501</u>	<u>10,819,445</u>
<b>Operating Expenses:</b>		
Administration	147,297	758
Operations:		
Salaries and benefits	1,266,478	10,621,826
Supplies and materials	34,798	-
Current obligations and services	564,085	-
State mandated MSW/C&D charges	197,721	-
Fixed charges and other expenses	642,890	37,694
Landfill closure and post-closure care costs	570,554	-
Depreciation	689,797	-
Total operating expenses	<u>4,113,620</u>	<u>10,660,278</u>
Operating income (loss)	<u>235,881</u>	<u>159,167</u>
<b>Non-Operating Revenues (Expenses):</b>		
Interest and investment revenue	59,873	9,900
Loss on disposal of assets	(5,295)	-
Total non-operating revenue	<u>54,578</u>	<u>9,900</u>
Change in net position	<u>290,459</u>	<u>169,067</u>
<b>Net Position</b>		
Beginning of year - July 1	22,441,865	(1,607,471)
Restatement	(1,195,126)	-
Beginning, restated	<u>21,246,739</u>	<u>(1,607,471)</u>
End of year - June 30	<u>\$ 21,537,198</u>	<u>\$ (1,438,404)</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, 2018

	<b>Major Enterprise Fund</b>	<b>Governmental Activities</b>
	<b>Landfill Fund</b>	<b>Internal Service Funds</b>
<b>Cash Flows from Operating Activities:</b>		
Cash received from customers	\$ 4,290,563	\$ 10,819,445
Cash paid for goods and services	(1,792,222)	(10,722,230)
Cash paid to employees for services	(927,729)	-
Net cash provided (used) by operating activities	<u>1,570,612</u>	<u>97,215</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>		
Advances (to) from other funds	-	(271,885)
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Acquisition and construction of capital assets	(117,025)	-
<b>Cash Flows from Investing Activities:</b>		
Interest on investments	59,873	9,900
Net increase (decrease) in cash and cash equivalents	1,513,460	(164,770)
<b>Cash and Cash Equivalents:</b>		
Beginning of year - July 1	<u>20,016,755</u>	<u>814,571</u>
End of year - June 30	<u>\$ 21,530,215</u>	<u>\$ 649,801</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>		
Operating income (loss)	\$ 235,881	\$ 159,167
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	689,797	-
Landfill closure and post-closure care costs	570,554	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	101,918	-
Increase (decrease) in accounts payable and accrued liabilities	48,322	(61,952)
(Increase) decrease in deferred outflows of resources for pensions	(80,428)	-
Increase (decrease) in net pension liability	(69,029)	-
Increase (decrease) in deferred inflows of resources for pensions	(4,300)	-
Increase (decrease) in accrued vacation pay	(1,484)	-
(Increase) decrease in deferred outflows of resources for OPEB	(30,699)	-
Increase (decrease) in deferred inflows of resources for OPEB	181,695	-
Increase (decrease) in total OPEB liability	(71,615)	-
Total adjustments	<u>1,334,731</u>	<u>(61,952)</u>
Net cash provided (used) by operating activities	<u>\$ 1,570,612</u>	<u>\$ 97,215</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, 2018**

	<b>Private Purpose Trust Funds</b>	<b>Agency Funds</b>
<b>Assets:</b>		
Cash and cash equivalents	\$ 304,661	\$ 406,593
Receivables, net	-	484,861
Total assets	<u>304,661</u>	<u>891,454</u>
<b>Liabilities and Net Position:</b>		
<b>Liabilities:</b>		
Intergovernmental payable	-	<u>891,454</u>
<b>Net Position:</b>		
Assets held in trust for beneficiaries	<u>304,661</u>	<u>-</u>
Total liabilities and net position	<u>\$ 304,661</u>	<u>\$ 891,454</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, 2018**

	<b>Private-Purpose Trust Funds</b>
<b>Additions:</b>	
Restricted intergovernmental	\$ 620,306
Permits and fees	39,100
Miscellaneous	1,620,631
Investment earnings	90
Total additions	<u>2,280,127</u>
<b>Deductions:</b>	
Benefits	<u>2,214,554</u>
Change in net position	65,573
<b>Net Position:</b>	
Beginning of year - July 1	<u>239,088</u>
End of year - June 30	<u>\$ 304,661</u>

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

***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, 2018

### Note 1. Summary of Significant Accounting Policies

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

#### REPORTING ENTITY

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

#### Component Units:

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

- **Alamance County Tourism Development Authority**

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

- **Alamance County Transportation Authority**

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

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

- **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. Interfund services provided and used are not eliminated in the process of consolidation. 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, 2018

*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 two non-major special revenue funds: Fire Districts Fund and Emergency Telephone System Fund.

*Capital Projects Fund.* The capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The County has four capital project funds within the nonmajor governmental fund types: Capital Reserve Fund, Mental Health Diversion Center 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.

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

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

**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.

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

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

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

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

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

### **BUDGETARY DATA**

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

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for the General Fund, at the functional level for special revenue funds, enterprise funds, and internal service funds, and at the object level for capital projects funds. The County Manager is authorized by the budget ordinance to transfer appropriations between

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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.

During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

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

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

The County's investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. The NC Capital Management Trust Government Portfolio, a SEC-registered 2a-7 government money market fund, is measured at amortized cost, which is the NCCMT's share price. 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 monies from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are considered cash and cash equivalents.

**Restricted Assets.** The unexpended installment debt proceeds in the amount of \$42,819 are restricted in the capital project funds because their use is completely restricted to the purpose for which the bonds and installment purchase notes were issued. Unspent grant proceeds and third-party donations in the amount of \$3,213,982 and unspent debt proceeds of \$14,115 are classified as restricted assets in the General Fund because their use is restricted by revenue source for specific expenditures. Money for future tax revaluation in the amount of \$420,361 is classified as restricted assets in the General Fund because its use is restricted per North Carolina General Statute 153A-150.

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**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, 2017. 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.

**Prepaid Items.** Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Capital Assets.** Purchased or constructed capital assets are recorded at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization costs are \$5,000 for each of the following: buildings, easements, improvements, infrastructure, furniture and equipment, vehicles, computer equipment, and computer software. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

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

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**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 meet this criterion – OPEB related deferrals, 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 three items that meet the criterion for this category: OPEB related deferrals, pension related deferrals, and ticket sale revenue.

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs, during the current period. 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.

**ALAMANCE COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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.

*Notes Receivable* – portion of fund balance that is not an available resource because it represents the amount not expected to be converted to cash during the subsequent fiscal year.

**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.

*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, 2018 is as follows:

<b>Purpose</b>	<b>General Fund</b>	<b>Other Governmental Funds</b>
<b>Restricted, All Other:</b>		
Public safety	\$ 926,447	\$ 1,059,199
General government	145,789	-
Human services	1,660,253	-
Economic and physical development	86,668	-
Cultural and recreation	408,940	-
Total	\$ 3,228,097	\$ 1,059,199

Restricted net position on Exhibit A varies from restricted fund balance on Exhibit C by the amount of unspent bond proceeds of \$56,934 as of June 30, 2018 and Register of Deeds' Pension Plan of \$382,292, for a net difference of \$325,358.

## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**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.

*Committed for Human Services* –portion of fund balance committed by the Board of Commissioners for human service programs.

*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, 2018 is as follows:

<u>Purpose</u>	<u>General Fund</u>	<u>Schools Capital Projects Fund</u>	<u>Renovation and Repair Projects Fund</u>	<u>Other Governmental Funds</u>
Education	\$ -	\$ 2,201,531	\$ -	\$ 342,507
General government	-	-	232,676	37,253
Human services	-	-	-	1,200,000
Tax revaluation	420,361	-	-	-
Economic and physical development	693,834	-	-	-
Total	<u>\$ 1,114,195</u>	<u>\$ 2,201,531</u>	<u>\$ 232,676</u>	<u>\$ 1,579,760</u>

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

*Assigned for General Government* – represents the portion of fund balance assigned by the Board of Commissioners for facility planning and construction as well as the Automation Fund for the Register of Deeds Office.

*Assigned for Public Safety* – represents the portion of fund balance assigned by the Board of Commissioners for various public safety programs.

*Assigned for Human Resources* – represents the portion of fund balance assigned by the Board of Commissioners for Mental Health retiree insurance.

**ALAMANCE COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

*Assigned for Cultural and Recreational* – represents the portion of fund balance assigned by the Board of Commissioners for the care of animals at Cedarrock Park.

*Assigned for Subsequent Years' Expenditures*– represents the portion of fund balance assigned by the Board of Commissioners to cover a projected excess of expected expenditures over expected revenues.

<b>Purpose</b>	<b>General Fund</b>
General government	\$ 4,380,881
Public safety	84,079
Human resources	311,560
Cultural and recreational	15,474
Subsequent years' expenditures	6,844,044
Total	\$ 11,636,038

**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 in the subsequent year.

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

Total fund balance - General Fund	\$ 48,710,222
<b>Less:</b>	
Notes receivable	390,988
Stabilization by state statute	11,455,111
Total available fund balance - General Fund	\$ 36,864,123

**ALAMANCE COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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>\$ 1,123,151</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 COST-SHARING 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 for all plans 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, 2018

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, 2018, the County's deposits had a carrying amount of \$20,421,473 and a bank balance of \$22,347,352. Of the bank balance, \$926,991 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method.

At June 30, 2018, the County had \$5,272 cash on hand.

**Investments.** At June 30, 2018, 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	\$ 19,259,108	\$ 14,337,831	\$ 4,921,277
NCCMT - Government Portfolio	Amortized Cost	27,756,563	-	-
Total		\$ 47,015,671	\$ 14,337,831	\$ 4,921,277

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, 2018**

**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. As of June 30, 2018, the County’s investments were rated as follows:

	<b>Standard Poor's</b>	<b>Moody's Investor Services</b>
North Carolina Capital Management Trust Government Portfolio	AAA	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 a limit of 50% on the amount that the County may invest in any one issuer of commercial paper or banker’s acceptances. More than 5% of the County’s investments in commercial paper are in Credit Agricole, GE Capital, JP Morgan, MUFG Band, Natixis, and Toyota Motor. These investments are 6.3%, 6.3%, 9.4%, 4.2%, 10.5%, and 4.2%, respectively, of the County’s total investments.

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

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

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

<b>Year of Levy</b>	<b>Tax</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 2,110,797	\$ 501,353	\$ 2,612,150
2016	2,130,997	314,381	2,445,378
2017	2,206,654	126,884	2,333,538
2018	2,254,282	-	2,254,282
Total	\$ 8,702,730	\$ 942,618	\$ 9,645,348

**ALAMANCE COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Note 4. Receivables**

Receivables at the government-wide level at June 30, 2018, were as follows:

	<b>Government-Wide Financial Statements</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Receivables:</b>			
Accounts	\$ 18,833,414	\$ 444,724	\$ 19,278,138
Taxes	2,472,092	-	2,472,092
Due from other governments	717,447	-	717,447
Gross receivables	22,022,953	444,724	22,467,677
Less: allowance for uncollectibles	(9,655,504)	-	(9,655,504)
Net total receivables	<b>\$ 12,367,449</b>	<b>\$ 444,724</b>	<b>\$ 12,812,173</b>

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

Local option sales tax	\$ 708,017
Other governments	9,430
Total	<b>\$ 717,447</b>

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

### Note 5. Capital Assets

#### Primary Government

Capital asset activity for the year ended June 30, 2018, was as follows:

	<u>July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2018</u>
<b>Governmental Activities:</b>					
<b>Non-Depreciable Capital Assets:</b>					
Land	\$ 2,945,488	\$ -	\$ (24,394)	\$ -	\$ 2,921,094
Construction in progress	-	51,612	-	(51,612)	-
Total non-depreciable capital assets	<u>2,945,488</u>	<u>51,612</u>	<u>(24,394)</u>	<u>(51,612)</u>	<u>2,921,094</u>
<b>Depreciable Capital Assets:</b>					
Buildings	53,529,592	-	(2,393,427)	-	51,136,165
Other improvements	11,974,598	287,316	-	51,612	12,313,526
Easements	1,179,217	-	-	-	1,179,217
Equipment	4,477,829	640,807	(58,374)	-	5,060,262
Computer software	1,523,339	-	-	-	1,523,339
Computer equipment	7,179,868	1,512,028	(521,486)	-	8,170,410
Vehicles and motor equipment	9,310,620	1,231,784	(195,683)	-	10,346,721
Library books	2,699,366	123,107	(276,664)	-	2,545,809
Library audio-visual materials	576,208	69,360	(57,132)	-	588,436
Infrastructure	158,649	-	-	-	158,649
Total depreciable capital assets	<u>92,609,286</u>	<u>3,864,402</u>	<u>(3,502,766)</u>	<u>51,612</u>	<u>93,022,534</u>
<b>Less Accumulated Depreciation:</b>					
Buildings	(20,341,354)	(1,012,944)	780,349	-	(20,573,949)
Other improvements	(2,683,777)	(457,904)	-	-	(3,141,681)
Easements	(91,379)	(206,561)	-	-	(297,940)
Equipment	(3,074,868)	(284,691)	51,464	-	(3,308,095)
Computer software	(1,288,848)	(1,396)	-	-	(1,290,244)
Computer equipment	(2,243,223)	(1,342,173)	431,639	-	(3,153,757)
Vehicles and motor equipment	(4,799,516)	(606,018)	195,683	-	(5,209,851)
Library books	-	(509,162)	-	-	(509,162)
Library audio-visual materials	-	(117,687)	-	-	(117,687)
Infrastructure	(60,687)	(3,173)	-	-	(63,860)
Total accumulated depreciation	<u>(34,583,652)</u>	<u>\$ (4,541,709)</u>	<u>\$ 1,459,135</u>	<u>\$ -</u>	<u>(37,666,226)</u>
Total depreciable capital assets, net	<u>58,025,634</u>				<u>55,356,308</u>
Governmental activities capital assets, net	<u>\$ 60,971,122</u>				<u>\$ 58,277,402</u>

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

General government	\$ 1,459,902
Public safety	1,673,723
Economic and physical development	18,059
Human services	502,569
Cultural (parks and recreation)	<u>887,456</u>
Total depreciation expense	<u><u>\$ 4,541,709</u></u>

Capital asset activity for business-type activities for the year ended June 30, 2018, was as follows:

	<u>July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2018</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	<u>304,707</u>	<u>117,025</u>	<u>(5,295)</u>	<u>(299,412)</u>	<u>117,025</u>
Total non-depreciable capital assets	<u>3,069,819</u>	<u>117,025</u>	<u>(5,295)</u>	<u>(299,412)</u>	<u>2,882,137</u>
<b>Depreciable Capital Assets:</b>					
Landfill construction	13,429,788	-	-	-	13,429,788
Buildings	906,920	-	(10,000)	299,412	1,196,332
Other improvements	788,777	-	-	-	788,777
Fixtures and equipment	1,851,378	-	-	-	1,851,378
Vehicles and motor equipment	<u>4,669,313</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,669,313</u>
Total depreciable capital assets	<u>21,646,176</u>	<u>-</u>	<u>(10,000)</u>	<u>299,412</u>	<u>21,935,588</u>
<b>Less Accumulated Depreciation:</b>					
Landfill construction	(6,385,607)	(172,379)	-	-	(6,557,986)
Buildings	(197,779)	(33,997)	10,000	-	(221,776)
Other improvements	(763,455)	(5,067)	-	-	(768,522)
Fixtures and equipment	(894,124)	(251,002)	-	-	(1,145,126)
Vehicles and motor equipment	<u>(2,684,424)</u>	<u>(227,352)</u>	<u>-</u>	<u>-</u>	<u>(2,911,776)</u>
Total accumulated depreciation	<u>(10,925,389)</u>	<u>\$ (689,797)</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>(11,605,186)</u>
Total capital assets being depreciated, net	<u>10,720,787</u>				<u>10,330,402</u>
Landfill capital assets, net	<u>\$ 13,790,606</u>				<u>\$ 13,212,539</u>

**ALAMANCE COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Net Investment in Capital Assets**

The total net investment in capital assets at June 30, 2018 is composed of the following elements:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Capital assets	\$ 58,277,402	\$ 13,212,539
Total debt, gross	60,215,832	-
Long-term debt for assets not owned by the County	52,043,003	-
Capital related unspent debt proceeds	56,934	-
Total capital debt	8,115,895	-
Net investment in capital assets	\$ 50,161,507	\$ 13,212,539

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

Payables and other accrued liabilities at the government-wide level at June 30, 2018, were as follows:

**Governmental Activities:**

Vendors	\$ 1,584,807
Due to other governments	7,676
Accrued payroll and related liabilities	261,746
Accrued interest	814,102
Total governmental activities	\$ 2,668,331

**Business-Type Activities:**

Landfill vendors	\$ 162,504
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**Note 7. Pension Plan Obligations**

**Local Governmental Employees' Retirement System**

**Plan Description.** The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the state

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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.

**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, 2018, was 8.25% of compensation for law enforcement officers and 7.50% 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 \$3,165,830 for the year ended June 30, 2018.

*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.

## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

At June 30, 2018, the County reported a liability of \$10,130,637 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 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, 2017, the County's proportion was .663%, which was an increase of .023% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$3,520,709. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 583,619	\$ 286,767
Changes of assumptions	1,446,795	-
Net difference between projected and actual earnings on pension plan investments	2,459,731	-
Changes in proportion and differences between County contributions and proportionate share of contributions	245,835	25,616
County contributions subsequent to the measurement date	<u>3,165,830</u>	<u>-</u>
Total	<u>\$ 7,901,810</u>	<u>\$ 312,383</u>

\$3,165,830 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, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2019	\$ 607,104
2020	3,024,375
2021	1,524,966
2022	(732,848)
2023	-
Thereafter	<u>-</u>
Total	<u>\$ 4,423,597</u>

## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**Actuarial Assumptions.** The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	7.20 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, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These 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, 2017 are summarized in the following table:

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

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

The information above is based on 30-year expectations developed with the consulting actuary for the 2017 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 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.* The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.20 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net pension liability (asset)	\$ 30,412,401	\$ 10,130,637	\$ (6,798,233)

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

### Law Enforcement Officers' Special Separation Allowance

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

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2016, the Separation Allowance's membership consisted of:

Retirees receiving benefits	12
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>122</u>
Total	<u><u>134</u></u>

### Summary of Significant Accounting Policies

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

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

### Actuarial Assumptions

The entry age normal actuarial cost method was used in the December 31, 2016 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increase	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.16 percent

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

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

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

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

**ALAMANCE COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

**Contributions.** The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operation budget. There were no contributions made by the employees. The County’s obligation to contribute to this Plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$169,052 as benefits came due.

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

At June 30, 2018, the County reported a total pension liability of \$3,599,354. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was rolled forward to December 31, 2017 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the County recognized pension expense of \$320,091.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 99,188	\$ -
Changes of assumptions and other inputs	195,126	52,068
County benefit payments and administrative expenses made subsequent to the measurement date	92,439	-
Total	\$ 386,753	\$ 52,068

\$92,439 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. 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>
2019	\$ 50,445
2020	50,445
2021	50,445
2022	50,445
2023	40,466
Thereafter	-
Total	\$ 242,246

**ALAMANCE COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

*Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate.* The following presents the County's total pension liability calculated using the discount rate of 3.16 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.16 percent) or 1-percentage-point higher 4.16 percent than the current rate:

	<b>1% Decrease (2.16%)</b>	<b>Discount Rate (3.16%)</b>	<b>1% Increase (4.16%)</b>
Total pension liability	<u>\$ 3,923,529</u>	<u>\$ 3,599,354</u>	<u>\$ 3,304,590</u>

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

	<b>2018</b>
Beginning balance	\$ 3,141,424
Service cost	151,650
Interest	117,996
Difference between expected and actual experience	120,427
Changes of assumptions and other inputs	236,909
Benefit payments	<u>(169,052)</u>
Net change in total pension liability	<u>\$ 3,599,354</u>

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

**Supplemental Retirement Income Plan for Law Enforcement Officers**

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

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**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, 2018 were \$572,544 which consisted of \$316,734 from the County and \$255,810 from the law enforcement officers. No amounts were forfeited.

### **Registers of Deeds' Supplemental Pension Fund**

**Plan Description.** Alamance County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The state's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](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 \$13,483 for the year ended June 30, 2018.

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

At June 30, 2018, the County reported an asset of \$264,834 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 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, 2017, the County's proportion was 1.55%, which was a decrease of 0.036% from its proportion measured as of June 30, 2016.

**ALAMANCE COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

For the year ended June 30, 2018, the County recognized pension expense of \$179,683. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,546	\$ 853
Changes of assumptions	44,685	-
Net difference between projected and actual earnings on pension plan investments	22,513	-
Changes in proportion and differences between County contributions and proportionate share of contributions	34,599	1,515
County contributions subsequent to the measurement date	<u>13,483</u>	<u>-</u>
Total	<u>\$ 119,826</u>	<u>\$ 2,368</u>

\$13,483 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, 2019. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2019	\$ 71,659
2020	23,999
2021	2,576
2022	5,741
2023	-
Thereafter	<u>-</u>
Total	<u>\$ 103,975</u>

**Actuarial Assumptions.** The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the 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, 2017 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2017 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

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

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

	<b>1% Decrease (2.75%)</b>	<b>Discount Rate (3.75%)</b>	<b>1% Increase (4.75%)</b>
County's proportionate share of the net pension liability (asset)	<u>\$ (208,156)</u>	<u>\$ (264,834)</u>	<u>\$ (312,498)</u>

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**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.

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

The net pension liability for LGERS and ROD was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of December 31, 2017, with an actuarial valuation date of December 31, 2016. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
Proportionate share of net pension liability (asset)	\$ 10,130,637	\$ -	\$ (264,834)	\$ 9,865,803
Proportion of the net pension liability (asset)	0.66312%	N/A	1.55200%	-
Total pension liability	-	3,599,354	-	3,599,354
Pension expense	3,520,709	320,091	179,683	4,020,483

## ALAMANCE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
<b>Deferred Outflows of Resources:</b>				
Differences between expected and actual experience	\$ 583,619	\$ 99,188	\$ 4,546	\$ 687,353
Changes of assumptions	1,446,795	195,126	44,685	1,686,606
Net difference between projected and actual earnings on pension plan investments	2,459,731	-	22,513	2,482,244
Changes in proportion and differences between County contributions and proportionate share of contributions	245,835	-	34,599	280,434
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>3,165,830</u>	<u>92,439</u>	<u>13,483</u>	<u>3,271,752</u>
Total	<u>\$ 7,901,810</u>	<u>\$ 386,753</u>	<u>\$ 119,826</u>	<u>\$ 8,408,389</u>
<b>Deferred Inflows of Resources:</b>				
Differences between expected and actual experience	\$ 286,767	\$ -	\$ 853	\$ 287,620
Changes of assumptions	-	52,068	-	52,068
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>25,616</u>	<u>-</u>	<u>1,515</u>	<u>27,131</u>
Total	<u>\$ 312,383</u>	<u>\$ 52,068</u>	<u>\$ 2,368</u>	<u>\$ 366,819</u>

#### **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, 2018

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.

**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.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

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

Retirees and dependents receiving benefits	438
Active plan members	<u>1,000</u>
Total	<u><u>1,438</u></u>

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, 2018

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%

Pre- Medicare 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.

#### **Total OPEB Liability**

The County's total OPEB liability of \$89,520,435 was measured as of June 30, 2017 and was determined by an actuarial valuation as of June 30, 2016.

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Salary increases, including wage inflation:	
General employees and firefighters	3.50%-7.75%
Law enforcement officers	3.50%-7.35%
Discount rate	3.56 percent
Healthcare cost trend rates:	
Pre-Medicare	7.75% for 2016 decreasing to an ultimate rate of 5.00% by 2022
Medicare	5.75% for 2016 decreasing to an ultimate rate of 5.00% by 2029

The discount rate is based on the June average of the Bond Buyer General Obligation 20-Year Municipal Bond Index published weekly by the Bond Buyer.

### Changes in the Total OPEB Liability

	<u><b>Total OPEB Liability</b></u>
<b>Balance at July 1, 2017</b>	<u>\$ 93,917,383</u>
<b>Changes for the year:</b>	
Service cost	4,308,669
Interest	2,814,721
Differences between expected and actual experience	(1,286,433)
Changes of assumptions or other inputs	(9,417,733)
Benefit payments	<u>(816,172)</u>
<b>Net changes</b>	<u>(4,396,948)</u>
<b>Balance at June 30, 2018</b>	<u><u>\$ 89,520,435</u></u>

Changes in assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.01% to 3.56%.

The discount rate used to measure the total OPEB liability was based on the June average of the Bond Buyer General Obligation 20-Year Municipal Bond Index published weekly by the Bond Buyer.

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

**ALAMANCE COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, adopted by LGERS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2016 valuation were based on a review of recent plan experience done concurrently with the June 30, 2016 valuation.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current discount rate:

	<u>1% Decrease (2.56%)</u>	<u>Discount Rate (3.56%)</u>	<u>1% Increase (4.56%)</u>
Total OPEB liability	<u>\$ 107,739,953</u>	<u>\$ 89,520,435</u>	<u>\$ 75,463,283</u>

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates.* The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	<u>\$ 73,557,262</u>	<u>\$ 89,520,435</u>	<u>\$ 110,780,744</u>

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

For the year ended June 30, 2018, the County recognized OPEB expense of \$5,504,001. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,091,814
Changes of assumptions	-	7,992,963
Benefit payments and plan administrative expense made subsequent to the measurement date	<u>1,534,926</u>	<u>-</u>
Total	<u>\$ 1,534,926</u>	<u>\$ 9,084,777</u>

**ALAMANCE COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

\$1,534,926 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred inflows and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ending</b>	
<b>June 30</b>	<b>Total</b>
2019	\$ (1,619,389)
2020	(1,619,389)
2021	(1,619,389)
2022	(1,619,389)
2023	(1,619,389)
Thereafter	(987,832)
Total	<u>\$ (9,084,777)</u>

**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 \$9,253,894 reported for the Austin Quarter MSW Landfill Facility as landfill closure and postclosure care liability at June 30, 2018 represents a cumulative amount reported to date based on the use of 90.0% of the total estimated capacity of the landfill. The County will recognize the remaining estimated costs of closure and postclosure care as the remaining estimated capacity is filled.

The \$1,659,910 reported for the Austin Quarter C&D Landfill Facility as landfill closure and post-closure care liability at June 30, 2018 represents a cumulative amount reported to date based on the use of 106.0% percent of the total estimated capacity of the landfill. The County will recognize the remaining estimated costs of closure and post-closure care as the remaining estimated capacity is filled.

These amounts are based on estimates of what it would cost to perform all closure and post-closure care in 2018. 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, 2018, the estimated closure and post-closure care liability for this facility amounted to \$518,356. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

The total landfill closure and post-closure care liability for the County's landfills as of June 30, 2018 amounted to \$11,432,160.

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:

<u>Source</u>	<u>Amount</u>
Pension deferrals	\$ 8,408,389
OPEB deferrals	1,534,926
Unamortized bond refunding charges	545,422
Total	<u>\$ 10,488,737</u>

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

<u>Source</u>	<u>Amount</u>
Property taxes receivable (General Fund)	\$ 1,598,305
Property taxes receivable (Nonmajor Governmental Funds)	208,055
EMS receivable (General Fund)	1,240,904
Other receivables (General Fund)	710,480
Pension deferrals	366,819
OPEB deferrals	9,084,777
Total	<u>\$ 13,209,340</u>

### Note 10. Contingent Liabilities

At June 30, 2018, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

### Note 11. Long-Term Obligations

#### Capital Leases

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

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

The following is a summary of the County's capital leases as of June 30, 2018:

<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	5	\$ 18,960
October 1, 2013	Computer equipment	5	3,887
January 1, 2014	Computer equipment	5	3,546
April 1, 2014	Computer equipment	5	12,222
July 1, 2014	Computer equipment	4	15,197
October 1, 2014	Computer equipment	4	16,815
October 1, 2014	Computer equipment	5	9,779
April 1, 2015	Computer equipment	3	11,343
April 1, 2015	Computer equipment	3	20,409
July 1, 2015	Computer equipment	3	23,034
July 1, 2015	Computer equipment	4	8,470
October 1, 2015	Computer equipment	3	4,564
January 1, 2016	Computer equipment	3	36,897
January 1, 2016	Computer equipment	4	112,266
April 1, 2016	Computer equipment	3	53,956
July 1, 2016	Computer equipment	3	152,074
July 1, 2016	Computer equipment	3	14,717
October 1, 2016	Computer equipment	3	59,266
January 1, 2017	Computer equipment	5	65,027
January 1, 2017	Computer equipment	3	60,764
April 1, 2017	Computer equipment	3	28,453
July 1, 2017	Computer equipment	3	5,236
July 1, 2017	Computer equipment	3	15,096
July 1, 2017	Computer equipment	3	72,100
October 1, 2017	Computer equipment	4	18,565
October 1, 2017	Computer equipment	4	11,259
October 1, 2017	Computer equipment	6	170,239
January 1, 2018	Computer equipment	3	118,534
April 1, 2018	Computer equipment	3	94,518
April 1, 2018	Computer equipment	4	18,736
May 1, 2018	Computer equipment	5	17,141
July 1, 2018	Computer equipment	3	95,017
Total			<u>\$ 1,368,089</u>

**ALAMANCE COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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	\$ 3,796,723	\$ 1,676,414	\$ 2,120,309

For Alamance County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2019	\$ 1,265,960
2020	954,356
2021	552,225
2022	278,382
2023	<u>101,749</u>
Total minimum lease payments	3,152,672
Less: amount representing interest	<u>815,948</u>
Present value of the minum lease payments	\$ <u>2,336,724</u>

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

	<u>Governmental Activities</u>
Installment note payable issued August 20, 2004 for jail expansion; due in semi-annual principal payments of \$344,828 through August 20, 2019; interest rate of 4.28%	\$ 1,034,483
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%	525,000
Installment note payable issued December 7, 2017 for Probation Center; due in semi-annual principal payments of \$233,578 through June 30, 2025; interest rate of 2.16%	2,818,844
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>277,778</u>
Total governmental activities	\$ <u>4,656,105</u>

**ALAMANCE COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

<b>Year Ending June 30</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2019	\$ 1,559,231	\$ 107,709
2020	1,048,273	59,880
2021	481,953	41,363
2022	435,658	31,500
2023	445,119	22,039
2024-2025	685,871	14,868
Total	<u>\$ 4,656,105</u>	<u>\$ 277,359</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, 2018 was \$4,110,829.

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

<b>Year Ending June 30</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2019	\$ 553,213	\$ 217,297
2020	553,213	187,036
2021	553,213	158,869
2022	553,213	128,608
2023	553,213	98,348
2024-2026	1,344,764	112,431
Total	<u>\$ 4,110,829</u>	<u>\$ 902,589</u>

**General Obligation Indebtedness**

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

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

### 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, 2018 was \$29,030,000.

The County's general obligation bonds payable at June 30, 2018 are comprised of the following individual issues:

#### Serviced by the General Fund:

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.	\$ 29,030,000
August 11, 2016 issue, General Obligation Bonds; due in annual installments of \$750,000 beginning February 1, 2018 through 2036; interest rates varying throughout the life of the payments.	<u>14,250,000</u>
Total general obligation bonds	<u><u>\$ 43,280,000</u></u>

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

Year Ending June 30	Government Activities	
	Principal	Interest
2019	\$ 5,080,000	\$ 1,695,675
2020	5,045,000	1,484,975
2021	5,080,000	1,283,175
2022	5,060,000	1,079,975
2023	5,055,000	877,575
2024-2028	11,485,000	1,732,125
2029-2033	4,125,000	5,624,250
2034-2036	2,350,000	113,344
Total	\$ 43,280,000	\$ 13,891,094

**ALAMANCE COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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, 2018, 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%. \$ 600,000

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%. 580,000

Total Recovery Zone Economic Development Bonds \$ 1,180,000

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

<u>Year Ending</u> <u>June 30</u>	<u>Governmental Activities</u>		<u>Interest</u>	<u>Interest Cost</u>
	<u>Principal</u>	<u>Interest</u>	<u>Rebate</u>	<u>After Rebate</u>
2019	\$ 590,000	\$ 55,858	\$ 22,391	\$ 33,468
2020	590,000	23,939	9,596	14,343
Totals	<u>\$ 1,180,000</u>	<u>\$ 79,797</u>	<u>\$ 31,987</u>	<u>\$ 47,811</u>

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

The following is a summary of changes in the County's long-term obligations as of June 30, 2018:

	<u>July 1, 2017</u>	<u>Restatement</u>	<u>Restated July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2018</u>	<u>Due In Less Than One Year</u>
<b>Governmental Activities:</b>							
General obligation debt	\$ 48,260,000	\$ -	\$ 48,260,000	\$ -	\$ 4,980,000	\$ 43,280,000	\$ 5,080,000
Premium on general obligation bonds	5,166,960	-	5,166,960	-	514,786	4,652,174	514,786
Qualified School Construction Bonds	4,664,042	-	4,664,042	-	553,213	4,110,829	553,213
Recovery bonds	1,770,000	-	1,770,000	-	590,000	1,180,000	590,000
Capitalized leases	1,688,251	-	1,688,251	1,238,679	590,206	2,336,724	1,076,066
Installment loans	2,988,027	-	2,988,027	3,019,810	1,351,732	4,656,105	1,559,231
Total pension liability (LEOSSA)	3,141,424	-	3,141,424	626,982	169,052	3,599,354	-
Net pension liability (LGERS)	13,310,453	-	13,310,453	-	3,382,429	9,928,024	-
Compensated absences	3,004,341	-	3,004,341	1,558,066	1,652,387	2,910,020	1,600,511
Total OPEB liability	<u>32,678,007</u>	<u>58,561,180</u>	<u>91,239,187</u>	<u>-</u>	<u>3,509,161</u>	<u>87,730,026</u>	<u>-</u>
Total governmental activities	<u>\$ 116,671,505</u>	<u>\$ 58,561,180</u>	<u>\$ 175,232,685</u>	<u>\$ 6,443,537</u>	<u>\$ 17,292,966</u>	<u>\$ 164,383,256</u>	<u>\$ 10,973,807</u>

	<u>July 1, 2017</u>	<u>Restatement</u>	<u>Restated July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2018</u>	<u>Due In Less Than One Year</u>
<b>Business-Type Activities:</b>							
Accrued landfill closure and post-closure care cost	\$ 10,861,606	\$ -	\$ 10,861,606	\$ 570,554	\$ -	\$ 11,432,160	\$ -
Compensated absences	64,870	-	64,870	34,194	35,679	63,386	34,862
Net pension liability (LGERS)	271,642	-	271,642	-	69,029	202,613	-
Total OPEB liability	<u>666,898</u>	<u>1,195,126</u>	<u>1,862,024</u>	<u>-</u>	<u>71,615</u>	<u>1,790,409</u>	<u>-</u>
Total business-type activities	<u>\$ 11,865,016</u>	<u>\$ 1,195,126</u>	<u>\$ 13,060,142</u>	<u>\$ 604,748</u>	<u>\$ 176,323</u>	<u>\$ 13,488,568</u>	<u>\$ 34,862</u>

Compensated absences typically have been liquidated in the General Fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned. Net pension liability and total pension liabilities have been liquidated in the General Fund. OPEB has been liquidated in the Employee Insurance Fund.

State statutes provide for a legal debt margin of 8.0% of the County's appraised valuation. The County had a legal debt limitation of \$1,052,061,536 at June 30, 2018.

**ALAMANCE COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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, 2018, there were two series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$800,000.

**Note 12. Interfund Balances and Activity**

**Due From/To Other Funds**

Interfund balances are summarized below:

	<b>Interfund Loans</b>		<b>Reason</b>
	<b>From</b>	<b>To</b>	
General Fund	\$ 1,733,601	\$ -	
Internal Service Fund	\$ -	\$ 1,733,601	Cash advance

**Transfers To/From Other Funds**

Transfers in (out) for the year ended June 30, 2018 are summarized below:

	<b>Interfund Transfers</b>	
	<b>From</b>	<b>To</b>
General Fund	\$ 1,807,929	\$ 450,368
Major Schools Capital Project Fund	450,368	1,869,796
Major Renovation and Repair Capital Project Fund	-	250,000
Nonmajor Special Revenue Funds	-	8,410
Nonmajor Capital Project Funds	1,869,796	1,549,519
Total interfund transfers	\$ 4,128,093	\$ 4,128,093

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.

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

### Note 13. Joint Ventures

**Alamance-Caswell Local Management Now Known as PBH aka Cardinal Innovations.** Alamance County has settled its lawsuit with PBH over issues of accounting for fund balance and assets of the ACLME that were taken by PBH. Currently, Alamance County and Caswell County have only advisory authority over the operations of PBH. In accordance with NCGS Section 122C-115 (b) Counties shall appropriate funds for the support of programs that serve the catchment area, whether the programs are physically located within a single county or whether any facility housing a program is owned and operated by the county. 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 in the amount of \$1,149,251 during the fiscal year ended June 30, 2018.

**Alamance Community College.** The County, in conjunction with the State of North Carolina and the Alamance-Burlington Board of Education, participates in a joint venture to operate the Alamance Community College (Community College). Each of the three participants appoints four members of the 13-member Board of Trustees of the Community College. The President of the Community College's student government serves as an ex officio non-voting member of the Community College's Board of Trustees. The Community College is included as a component unit of the state. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$3,223,202 and \$440,000 to the Community College for operating and repair and maintenance, respectively, during the fiscal year ended June 30, 2018. 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, 2018. 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 \$33,080 to the Council during the fiscal year ended June 30, 2018.

**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, 2018.

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

### 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 \$350,000 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 \$218,912 reported in the Fund at June 30, 2018 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, 2018

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

Year Ended June 30	Claims Liability Beginning of Year	Current Year Claims (Including IBNR's)	Claims Payment	Claims Liability End of Year
2008	\$ 285,477	\$ 6,652,226	\$ (6,617,194)	\$ 320,509
2009	320,509	6,225,489	(6,244,161)	301,837
2010	301,837	6,564,403	(6,574,292)	291,948
2011	291,948	6,624,563	(6,592,559)	323,952
2012	323,952	5,823,002	(5,875,381)	271,573
2013	271,573	6,807,016	(6,723,976)	354,613
2014	354,613	6,725,963	(6,756,624)	323,952
2015	323,952	5,643,704	(5,613,043)	354,613
2016	354,613	5,564,985	(5,595,646)	323,952
2017	323,952	4,860,160	(4,779,099)	405,013
2018	405,013	5,872,763	(6,058,864)	218,912

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.

#### **Note 15. 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 monies 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 monies.

#### **Note 16. Change in Accounting Principles/Restatement**

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in the fiscal year ending June 30, 2018. The implementation of the statement required the County to record beginning total OPEB liability and the effects on net position of benefit payments and administrative expenses paid by the County related to OPEB during the measurement period (fiscal year ending June 30, 2017). Beginning deferred outflows and inflows of resources associated with the implementation were excluded from the restatement. As a result, net position for governmental activities decreased \$58,561,180 and \$1,195,126 for the business-type activities.

# ALAMANCE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

### **Note 17. Subsequent Event**

On November 6, 2018, the voters of Alamance County approved two bond referendums totaling \$189.6 million. Of the total approved, \$150 million was approved for the Alamance-Burlington School System for the construction of a new high school and renovation projects for Eastern Alamance, Graham, Hugh M. Cummings, Southern Alamance, Walter Williams, Western Alamance High Schools and Pleasant Grove and South Mebane Elementary Schools. Of the total approved, \$39.6 million was approved for Alamance Community College for the construction of a Center of Excellence, Parking Deck, Public Safety Training Center and the renovation of the Childcare Facility, Satellite Location for East and West, Natural Life Science Facilities and to modernize instructional spaces.

Alamance County, North Carolina  
Financial Statements and Schedules

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***REQUIRED SUPPLEMENTAL FINANCIAL DATA***

Alamance County, North Carolina  
Financial Statements and Schedules

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## ALAMANCE COUNTY, NORTH CAROLINA

**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY**  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**LAST TWO FISCAL YEARS**

<b>Law Enforcement Officers' Special Separation Allowance</b>		
	<b>2018</b>	<b>2017</b>
Beginning balance	\$ 3,141,424	\$ 3,113,201
Service cost	151,650	147,324
Interest on the total pension liability	117,996	108,458
Difference between expected and actual experience in the measurement of the total pension liability	120,427	-
Changes in assumptions or other inputs	236,909	(77,222)
Benefit payments	(169,052)	(150,337)
Ending balance of the total pension liability	<u>\$ 3,599,354</u>	<u>\$ 3,141,424</u>

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

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

ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
LAST TWO FISCAL YEARS

<b>Law Enforcement Officers' Special Separation Allowance</b>			
		<u>2018</u>	<u>2017</u>
Total pension liability	\$	3,599,354	\$ 3,141,424
Covered payroll		6,338,264	5,510,031
Total pension liability as a percentage of covered payroll		56.79%	57.01%

**Notes to the Schedules:**

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

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

## ALAMANCE COUNTY, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS  
 JUNE 30, 2018**

<b>Other Post-Employment Benefits</b>	
	<b>2018</b>
Service cost	\$ 4,308,669
Interest	2,814,721
Differences between expected and actual experience	(1,286,433)
Changes of assumptions or other inputs	(9,417,733)
Benefit payments	(816,172)
Net change in total OPEB liability	(4,396,948)
Total OPEB liability - beginning	93,917,383
Total OPEB liability - ending	<u>\$ 89,520,435</u>
Covered payroll	\$ 41,382,216
Total OPEB liability as a percentage of covered payroll	216.33%

**Notes to the Required Schedules:**

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

<u>Fiscal Year</u>	<u>Rate</u>
2018	3.56%

## ALAMANCE COUNTY, NORTH CAROLINA

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

	Local Government Employees' Retirement System				
	2018	2017	2016	2015	2014
Alamance's proportion of the net pension liability (asset) (%)	0.66312%	0.63996%	0.61599%	0.59339%	0.614800%
Alamance's proportion of the net pension liability (asset) (\$)	\$ 10,130,637	\$ 13,582,095	\$ 2,764,526	\$ (3,499,497)	\$ 7,410,701
Alamance's covered-employee payroll	\$ 40,774,203	\$ 38,765,701	\$ 37,352,331	\$ 35,862,828	\$ 34,940,178
Alamance's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	24.85%	35.04%	7.40%	(9.76%)	21.21%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

## ALAMANCE COUNTY, NORTH CAROLINA

ALAMANCE COUNTY'S CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST FIVE FISCAL YEARS\*

	<b>Local Government Employees' Retirement System</b>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,165,830	\$ 3,165,830	\$ 2,619,549	\$ 2,150,580	\$ 2,093,085
Contributions in relation to the contractually required contribution	<u>3,165,830</u>	<u>3,165,830</u>	<u>2,619,549</u>	<u>2,150,580</u>	<u>2,093,085</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Alamance County's covered-employee payroll	\$ 41,563,134	\$ 40,774,203	\$ 38,765,701	\$ 37,352,331	\$ 35,862,828
Contributions as a percentage of covered-employee payroll	7.62%	7.76%	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 FIVE FISCAL YEARS\***

	<b>Register of Deeds' Supplemental Pension Fund</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
County's proportion of the net pension liability (asset) %	1.552%	1.588%	1.573%	3.604%	2.955%
County's proportionate share of the net pension liability (asset)	\$ (264,834)	\$ (296,900)	\$ (364,440)	\$ (816,868)	\$ (631,154)
County's covered-employee payroll	\$ 70,228	\$ 61,572	\$ 60,500	\$ 53,922	\$ 45,560
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(377.11%)	(482.20%)	(602.38%)	(1,514.91%)	(1,385.32%)
Plan fiduciary net position as a percentage of the total pension liability	153.77%	160.17%	197.29%	193.88%	190.50%

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

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

## ALAMANCE COUNTY, NORTH CAROLINA

ALAMANCE COUNTY'S CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST FIVE FISCAL YEARS\*

	<b>Register of Deeds' Supplemental Pension Fund</b>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 13,483	\$ 13,480	\$ 11,682	\$ 12,583	\$ 29,424
Contributions in relation to the contractually required contribution	<u>13,483</u>	<u>13,480</u>	<u>11,682</u>	<u>12,583</u>	<u>29,424</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 71,813	\$ 70,228	\$ 61,572	\$ 60,500	\$ 53,922
Contributions as a percentage of covered-employee payroll	18.78%	19.19%	18.97%	20.80%	54.57%

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

Alamance County, North Carolina  
Financial Statements and Schedules

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## ***COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES***

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

Alamance County, North Carolina  
Financial Statements and Schedules

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***GENERAL FUND***

Alamance County, North Carolina  
Financial Statements and Schedules

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ALAMANCE COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Ad valorem taxes:				
Taxes, net of discounts	\$ 78,883,486	\$ 79,695,010	\$ 811,524	\$ 77,243,437
Penalties and interest	275,000	292,702	17,702	293,493
Total	79,158,486	79,987,712	829,226	77,536,930
Local option sales tax:				
Article 39 and 44	12,395,871	13,913,026	1,517,155	13,068,996
Article 40.5 percent	7,307,037	7,290,721	(16,316)	6,953,125
Article 42.5 percent	7,828,971	8,624,591	795,620	8,137,374
Total	27,531,879	29,828,338	2,296,459	28,159,495
Other taxes and licenses:				
Real estate transfer taxes	600,000	749,835	149,835	697,066
Privilege licenses	6,500	7,055	555	7,383
Local occupancy tax	872,000	903,641	31,641	869,628
Rental vehicle tax	233,000	195,833	(37,167)	88,713
Total	1,711,500	1,856,364	144,864	1,662,790
Unrestricted intergovernmental revenues:				
Beer and wine tax	250,000	259,939	9,939	270,038
Total	250,000	259,939	9,939	270,038
Restricted intergovernmental revenues:				
State	4,977,210	3,956,134	(1,021,076)	5,090,602
Federal	12,766,947	12,241,801	(525,146)	17,257,667
Court facilities fees	200,000	201,271	1,271	219,739
ABC bottle tax	30,000	41,764	11,764	39,195
Other	1,858,751	1,370,614	(488,137)	1,990,856
Total	19,832,908	17,811,584	(2,021,324)	24,598,059
Permits and fees:				
Building permits and inspection fees	801,000	847,113	46,113	903,707
Register of Deeds	790,000	760,763	(29,237)	767,898
Total	1,591,000	1,607,876	16,876	1,671,605

ALAMANCE COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	Budget	Actual	Variance Over/Under	Actual
Sales and services:				
Rents, concessions, and fees	3,300,941	5,031,206	1,730,265	3,885,298
Nuisance abatement	-	-	-	12,395
Jail and Sheriff fees	2,787,500	3,804,876	1,017,376	2,581,250
Ambulance fees	4,660,000	5,103,772	443,772	4,421,415
Total	10,748,441	13,939,854	3,191,413	10,900,358
<b>Investment Earnings</b>	405,589	814,830	409,241	533,324
<b>Miscellaneous</b>	748,894	843,644	94,750	482,720
Total revenues	141,978,697	146,950,141	4,971,444	145,815,319
<b>Expenditures:</b>				
Current:				
General government:				
Governing body	261,757	241,847	19,910	235,637
County Manager	2,621,217	2,296,940	324,277	2,290,571
Administrative services/planning	186,299	130,632	55,667	164,685
Human Resources	527,162	481,789	45,373	375,973
Finance	1,312,563	1,181,800	130,763	1,065,568
Purchasing	137,717	93,236	44,481	125,708
Tax administration	2,338,216	2,200,959	137,257	2,248,091
Revaluation	29,000	-	29,000	169,522
GIS mapping	278,955	267,337	11,618	270,547
Legal	407,032	338,950	68,082	581,984
Facility fees	251,443	203,625	47,818	225,623
District Court Judges	1,600	598	1,002	-
Elections	915,130	685,051	230,079	744,351
Register of Deeds	871,013	802,499	68,514	718,945
Central services:				
Management information systems	5,400,493	4,324,620	1,075,873	4,906,640
Central permitting	-	-	-	1,290
Printing	81,975	43,975	38,000	33,182
Central garage	-	-	-	6,491
Public buildings	2,686,021	2,286,768	399,253	1,799,397
Total	18,307,593	15,580,626	2,726,967	15,964,205

## ALAMANCE COUNTY, NORTH CAROLINA

## GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2018

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		Variance Over/Under	2017
	Budget	Actual		Actual
Public safety:				
Judicial services	32,962	27,961	5,001	28,961
Sheriff	12,201,596	11,641,824	559,772	11,649,190
School Resource Officers	549,096	529,183	19,913	494,345
Stepping up initiative	83,333	82,162	1,171	40,935
County jail	10,454,290	9,645,827	808,463	9,701,943
Emergency management	193,421	188,607	4,814	211,264
Emergency service	432,519	383,726	48,793	345,611
Fire service	42,112	20,467	21,645	44,734
SARA management	216,551	100,035	116,516	259,272
Inspections	818,010	803,401	14,609	709,869
Emergency Medical Service	8,145,047	8,120,596	24,451	7,142,744
Animal shelter	436,274	436,274	-	373,725
Central communications	5,576,807	5,257,036	319,771	2,214,989
Other	310,000	267,650	42,350	231,032
Total	<u>39,492,018</u>	<u>37,504,749</u>	<u>1,987,269</u>	<u>33,448,614</u>
Transportation:				
Transportation services	216,500	216,195	305	212,127
Airport	262,321	262,321	-	252,321
Total	<u>478,821</u>	<u>478,516</u>	<u>305</u>	<u>464,448</u>
Environmental protection	<u>68,340</u>	<u>68,340</u>	<u>-</u>	<u>71,147</u>
Economic and physical development:				
Industrial development	1,338,919	1,319,728	19,191	856,116
Cooperative Extension	372,885	355,675	17,210	354,566
Soil conservation	300,565	235,978	64,587	232,719
Tourism Development Authority	597,460	584,384	13,076	562,452
Other	834,327	700,037	134,290	143,077
Total	<u>3,444,156</u>	<u>3,195,802</u>	<u>248,354</u>	<u>2,148,930</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, 2018  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	Budget	Actual	Variance Over/Under	Actual
Human services:				
Health	8,626,637	7,817,859	808,778	7,223,957
WIC Program	786,200	766,156	20,044	780,667
Dental Clinic Program	1,474,556	1,469,435	5,121	959,358
Social Services	22,355,253	18,912,193	3,443,060	24,290,731
Home and Community Care	1,155,827	1,120,419	35,408	1,113,507
Veterans Service Office	206,602	195,569	11,033	168,026
Office of Juvenile Justice Programs	330,528	322,107	8,421	324,349
Mental Health Authority	1,244,315	1,172,970	71,345	1,369,981
Other	214,265	208,728	5,537	178,278
Total	<u>36,394,183</u>	<u>31,985,436</u>	<u>4,408,747</u>	<u>36,408,854</u>
Cultural and recreational:				
Recreation	2,745,212	2,503,266	241,946	1,566,274
Historic Properties Commission	-	-	-	90
Library	2,941,718	2,880,489	61,229	2,833,280
Other	181,500	181,500	-	145,812
Total	<u>5,868,430</u>	<u>5,565,255</u>	<u>303,175</u>	<u>4,545,456</u>
Education:				
Alamance-Burlington School System:				
Current expense	40,681,907	40,681,907	-	38,264,189
Repair and maintenance	1,000,000	1,000,000	-	250,000
Alamance Community College:				
Current expense	3,223,202	3,223,202	-	3,031,621
Repair and maintenance	440,000	440,000	-	440,000
Total	<u>45,345,109</u>	<u>45,345,109</u>	<u>-</u>	<u>41,985,810</u>
Debt service:				
Principal retirement	7,474,946	7,474,945	1	6,967,604
Interest and fees	2,338,223	2,334,679	3,544	2,273,758
Total	<u>9,813,169</u>	<u>9,809,624</u>	<u>3,545</u>	<u>9,241,362</u>
Contingency	108,354	-	108,354	-
Total expenditures	<u>159,320,173</u>	<u>149,533,457</u>	<u>9,786,716</u>	<u>144,278,826</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, 2018  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	Budget	Actual	Variance Over/Under	Actual
Revenues over (under) expenditures	(17,341,476)	(2,583,316)	14,758,160	1,536,493
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds:				
Capital project funds	450,598	450,368	(230)	453,687
Transfers to other funds:				
Special revenue funds	(8,410)	(8,410)	-	-
Capital project funds	(1,799,519)	(1,799,519)	-	(1,765,633)
Nonmajor funds	-	-	-	(2,473)
Total net transfers	(1,357,331)	(1,357,561)	(230)	(1,314,419)
Long-term debt issued	3,019,810	3,019,810	-	-
Capital lease obligations issued	1,435,174	1,238,679	(196,495)	1,464,836
Appropriated fund balance	14,243,823	-	(14,243,823)	-
Total other financing sources (uses)	17,341,476	2,900,928	(14,440,548)	150,417
Net change in fund balance	\$ -	317,612	\$ 317,612	1,686,910
<b>Reconciliation from Budgetary Basis to Modified Accrual:</b>				
Long-term notes receivable		421,064		-
Payment from notes receivable		(30,076)		-
Net change in fund balance- modified accrual basis		708,600		-
<b>Fund Balance:</b>				
Beginning of year - July 1		48,001,622		46,314,712
End of year - June 30		\$ 48,710,222		\$ 48,001,622

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, 2018

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Years	Current Year		
<b>Revenues:</b>					
Restricted intergovernmental:					
Public School Building Capital Fund Lottery	\$ 19,628,675	\$ 15,122,005	\$ 1,855,991	\$ 16,977,996	\$ (2,650,679)
Public School Capital Building Fund	14,034,454	32,810,997	-	32,810,997	18,776,543
Local funds	35,573	3,055,373	-	3,055,373	3,019,800
Total restricted intergovernmental	33,698,702	50,988,375	1,855,991	52,844,366	19,145,664
Investment earnings	3,776,936	3,950,332	175	3,950,507	173,571
Sales tax refund	577,254	577,254	-	577,254	-
Total revenues	38,052,892	55,515,961	1,856,166	57,372,127	19,319,235
<b>Expenditures:</b>					
B. Everett Jordan Elementary	1,426,414	1,289,914	50,706	1,340,620	85,794
E.M. Holt Elementary	107,205	-	2,019	2,019	105,186
Sellers-Gunn Center	2,500	-	2,019	2,019	481
Southern Middle School	152,738	-	147,612	147,612	5,126
Garrett Elementary School	45,000	-	25,739	25,739	19,261
Five-Year Capital Improvement Plan	12,361,851	12,361,851	-	12,361,851	-
AO Elementary School	1,270,824	1,129,599	94,533	1,224,132	46,692
R Homer Andrews Elementary	168,990	70,740	80,654	151,394	17,596
Ray Street Academy	52,800	52,000	800	52,800	-
Alexander Wilson Elementary	252,449	1,577	83,831	85,408	167,041
EM Yoder Elementary	97,027	-	59,294	59,294	37,733
2006 Bond Reallocation projects	4,040,326	3,767,897	52,901	3,820,798	219,528
Cummings High School	1,060,754	156,094	28,116	184,210	876,544
Eastern High School	161,528	16,748	37,387	54,135	107,393
Elon Elementary	97,500	92,479	-	92,479	5,021
Graham High School	303,389	115,089	161,828	276,917	26,472
Southern High School	483,997	217,947	140,618	358,565	125,432
Western High School	519,676	246,923	222,759	469,682	49,994
Williams High School	99,921	52,946	4,275	57,221	42,700
Woodlawn Middle School	225,907	224,162	-	224,162	1,745
South Graham Elementary	222,700	57,019	6,900	63,919	158,781
Broadview Middle School	391,840	-	155,891	155,891	235,949
Graham Middle School	10,700	7,110	2,625	9,735	965
South Mebane Elementary	159,472	31,259	99,472	130,731	28,741
Grove Park Elementary	146,974	117,574	7,200	124,774	22,200
Smith Elementary	180,423	131,650	1,144	132,794	47,629
Turrentine Middle School	163,800	-	-	-	163,800
Capital reserve projects	1,869,796	-	-	-	1,869,796
Completed projects	157,990,128	157,553,938	-	157,553,938	436,190
School Bond interest costs	5,083,734	5,083,734	-	5,083,734	-
School debt issue costs	1,029,938	1,086,526	-	1,086,526	(56,588)
Total expenditures	190,180,301	183,864,776	1,468,323	185,333,099	4,847,202
Revenues over (under) expenditures	(152,127,409)	(128,348,815)	387,843	(127,960,972)	24,166,437

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, 2018

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Years	Current Year		
<b>Other Financing Sources (Uses):</b>					
Transfers in:					
From General Fund	8,450,269	10,155,095	-	10,155,095	1,704,826
From County Buildings Capital Projects Fund	92,332	92,332	-	92,332	-
From Schools Capital Reserve Fund	30,088,335	28,218,539	1,869,796	30,088,335	-
Transfers out:					
To General Fund	(17,136,668)	(16,686,300)	(450,368)	(17,136,668)	-
To Schools Capital Reserve Fund	(3,785,784)	(3,785,784)	-	(3,785,784)	-
Long-term debt issued	167,064,053	143,394,320	-	143,394,320	(23,669,733)
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	(72,336,441)	(72,336,440)	-	(72,336,440)	1
Total other financing sources (uses)	<u>152,127,409</u>	<u>128,743,075</u>	<u>1,419,428</u>	<u>130,162,503</u>	<u>(21,964,906)</u>
Net change in fund balance	\$ -	\$ 394,260	1,807,271	\$ 2,201,531	\$ 2,201,531
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>394,260</u>		
End of year - June 30			<u>\$ 2,201,531</u>		

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, 2018

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Investment earnings - Group A	\$ 20,863	\$ 22,577	\$ -	\$ 22,577	\$ 1,714
Investment earnings - Group B	17,757	20,821	-	20,821	3,064
Total revenues	<u>38,620</u>	<u>43,398</u>	<u>-</u>	<u>43,398</u>	<u>4,778</u>
<b>Expenditures:</b>					
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	<u>40,252</u>	<u>40,252</u>	<u>-</u>	<u>40,252</u>	<u>-</u>
Mebane Tower Site:					
Construction	81,205	81,205	-	81,205	-
Total Mebane Tower Site	<u>81,205</u>	<u>81,205</u>	<u>-</u>	<u>81,205</u>	<u>-</u>
Rescue:					
Construction	22,436	22,436	-	22,436	-
Total rescue	<u>22,436</u>	<u>22,436</u>	<u>-</u>	<u>22,436</u>	<u>-</u>
Fire Alarm System:					
Construction	78,672	78,672	-	78,672	-
Total fire alarm system	<u>78,672</u>	<u>78,672</u>	<u>-</u>	<u>78,672</u>	<u>-</u>
Graham Manor:					
Contracted services	223,638	223,638	-	223,638	-
Total Graham Manor	<u>223,638</u>	<u>223,638</u>	<u>-</u>	<u>223,638</u>	<u>-</u>
Roof Repairs:					
Roof repairs	29,900	29,900	-	29,900	-
Total roof repairs	<u>29,900</u>	<u>29,900</u>	<u>-</u>	<u>29,900</u>	<u>-</u>
Civil Courtroom:					
Repairs	29,681	29,681	-	29,681	-
Total Civil Courtroom	<u>29,681</u>	<u>29,681</u>	<u>-</u>	<u>29,681</u>	<u>-</u>
Pine Street:					
Siding replacement	8,031	8,031	-	8,031	-
Total Pine Street	<u>8,031</u>	<u>8,031</u>	<u>-</u>	<u>8,031</u>	<u>-</u>

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, 2018

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Years	Current Year		
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	25,950	8,075	-	8,075	17,875
Total Rudd Street EMS Station	25,950	8,075	-	8,075	17,875
Human Services Parking:					
Construction	7,110	7,110	-	7,110	-
Total human services parking	7,110	7,110	-	7,110	-
Jail Pipes:					
Construction	11,084	11,084	-	11,084	-
Total jail pipes	11,084	11,084	-	11,084	-
Turrentine Street Fuel Pumps:					
Construction	3,084	3,084	-	3,084	-
Total Turrentine Street Fuel Pumps	3,084	3,084	-	3,084	-
Criminal Courts Compressor:					
Construction	10,996	10,996	-	10,996	-
Total Criminal Courts Compressor	10,996	10,996	-	10,996	-
Jail Valves:					
Construction	18,565	18,565	-	18,565	-
Total Jail Valves	18,565	18,565	-	18,565	-
Elections HVAC:					
Construction	12,650	12,650	-	12,650	-
Total Elections HVAC	12,650	12,650	-	12,650	-

ALAMANCE COUNTY, NORTH CAROLINA

MAJOR RENOVATION AND REPAIR CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Years	Current Year		
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	77,894	-	77,894	-
Total County Office 2nd Floor HVAC	77,894	77,894	-	77,894	-
Jail Roof:					
Construction	257,760	248,120	-	248,120	9,640
Total Jail Roof	257,760	248,120	-	248,120	9,640
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	-
District Attorney:					
Construction	37,809	36,570	-	36,570	1,239
Total District Attorney	37,809	36,570	-	36,570	1,239

ALAMANCE COUNTY, NORTH CAROLINA

MAJOR RENOVATION AND REPAIR CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Court Services Roof:					
Construction	165,630	165,279	-	165,279	351
Total Court Services Roof	165,630	165,279	-	165,279	351
Maintenance Department Roof:					
Construction	31,616	28,900	-	28,900	2,716
Total Maintenance Department Roof	31,616	28,900	-	28,900	2,716
Old Jail Compressor:					
Construction	10,500	13,216	-	13,216	(2,716)
Total Old Jail Compressor	10,500	13,216	-	13,216	(2,716)
New Jail Shower Walls:					
Construction	50,000	29,900	-	29,900	20,100
Professional services	6,000	-	-	-	6,000
Contingency	5,559	-	-	-	5,559
Total New Jail Shower Walls	61,559	29,900	-	29,900	31,659
Old Jail Joint Repair:					
Construction	27,000	26,289	-	26,289	711
Professional services	10,050	-	-	-	10,050
Total Old Jail Joint Repair	37,050	26,289	-	26,289	10,761
AG Building Alarm System:					
Construction	30,150	5,131	15,069	20,200	9,950
Total AG Building Alarm System	30,150	5,131	15,069	20,200	9,950
Pleasant Grove Septic:					
Construction	15,885	15,885	-	15,885	-
Total Pleasant Grove Septic	15,885	15,885	-	15,885	-
Purchasing HVAC:					
Professional services	4,000	4,000	-	4,000	-
Construction	25,275	24,275	-	24,275	1,000
Total Purchasing HVAC	29,275	28,275	-	28,275	1,000
New Jail Gym Sprinklers:					
Construction	12,234	12,229	-	12,229	5
Total New Jail Gym Sprinklers	12,234	12,229	-	12,229	5

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, 2018

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Boone Station EMS Roof Repairs:					
Construction	15,150	-	850	850	14,300
Total Boone Station EMS Roof Repairs	15,150	-	850	850	14,300
Crime Scene Investigation:					
Construction	780	-	780	780	-
Total Crime Scene Investigation	780	-	780	780	-
Cedarrock - Office:					
Construction	12,899	-	12,899	12,899	-
Total Cedarrock - Office	12,899	-	12,899	12,899	-
Maintenance - Overhead Doors:					
Construction	11,437	-	11,437	11,437	-
Total Maintenance - Overhead Doors	11,437	-	11,437	11,437	-
Cedarrock - Boiler:					
Construction	16,475	-	16,475	16,475	-
Total Cedarrock - Boiler	16,475	-	16,475	16,475	-
HSC - Cut-Off Valves:					
Construction	3,667	-	3,667	3,667	-
Total HSC - Cut-Off Valves	3,667	-	3,667	3,667	-
EMS HQ - Concrete Pad:					
Construction	18,200	-	18,200	18,200	-
Total EMS HQ - Concrete Pad	18,200	-	18,200	18,200	-
Roof Safety:					
Construction	45,000	-	32,400	32,400	12,600
Total Roof Safety	45,000	-	32,400	32,400	12,600
HSC Tandem Boiler:					
Construction	76,476	-	-	-	76,476
Total HSC Tandem Boiler	76,476	-	-	-	76,476
COB Exterior Wall Sealing:					
Construction	41,017	-	-	-	41,017
Total COB Exterior Wall Sealing	41,017	-	-	-	41,017

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, 2018

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Completed projects	9,003,513	9,003,513	-	9,003,513	-
Total expenditures	10,746,046	10,407,396	111,777	10,519,173	226,873
Revenues over (under) expenditures	(10,707,426)	(10,363,998)	(111,777)	(10,475,775)	231,651
<b>Other Financing Sources (Uses):</b>					
Long-term debt issued:					
Group A	9,400,000	3,500,000	-	3,500,000	(5,900,000)
Group B	-	5,900,000	-	5,900,000	5,900,000
Transfers out	(809,971)	(809,971)	-	(809,971)	-
Transfers in	2,117,397	1,868,422	250,000	2,118,422	1,025
Total other financing sources (uses)	10,707,426	10,458,451	250,000	10,708,451	1,025
Net change in fund balance	\$ -	\$ 94,453	138,223	\$ 232,676	\$ 232,676
<b>Fund Balance:</b>					
Beginning of year - July 1			94,453		
End of year - June 30			\$ 232,676		

***NONMAJOR GOVERNMENTAL FUNDS***

ALAMANCE COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2018

	<u>Special Revenue Funds</u>		
	<u>Emergency Telephone System Fund</u>	<u>Fire Districts Funds</u>	<u>Total</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 1,021,683	\$ 57,577	\$ 1,079,260
Taxes receivable, net	-	208,055	208,055
Accounts receivable, net	362	-	362
Restricted cash and cash equivalents	-	-	-
Total assets	<u>\$ 1,022,045</u>	<u>\$ 265,632</u>	<u>\$ 1,287,677</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	<u>\$ 5,303</u>	<u>\$ 57,577</u>	<u>\$ 62,880</u>
Total liabilities	<u>5,303</u>	<u>57,577</u>	<u>62,880</u>
<b>Deferred Inflows of Resources:</b>			
Taxes receivable	-	208,055	208,055
Total deferred inflows of resources	-	<u>208,055</u>	<u>208,055</u>
<b>Fund Balances:</b>			
Restricted:			
Stabilization by state statute	362	-	362
Restricted, all other	1,016,380	-	1,016,380
Committed	-	-	-
Total fund balances	<u>1,016,742</u>	<u>-</u>	<u>1,016,742</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,022,045</u>	<u>\$ 265,632</u>	<u>\$ 1,287,677</u>

ALAMANCE COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2018

	Capital Projects Funds				Total	Total Nonmajor Governmental Funds
	Capital Reserve Funds	Mental Health Diversion Center Fund	Alamance Community College Fund	800 MHZ Emergency Equipment Fund		
<b>Assets:</b>						
Cash and cash equivalents	\$ 37,253	\$ 1,200,000	\$ 342,507	\$ -	\$ 1,579,760	\$ 2,659,020
Taxes receivable, net	-	-	-	-	-	208,055
Accounts receivable, net	-	-	-	2,065	2,065	2,427
Restricted cash and cash equivalents	-	-	-	42,819	42,819	42,819
Total assets	<u>\$ 37,253</u>	<u>\$ 1,200,000</u>	<u>\$ 342,507</u>	<u>\$ 44,884</u>	<u>\$ 1,624,644</u>	<u>\$ 2,912,321</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,880
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,880</u>
<b>Deferred Inflows of Resources:</b>						
Taxes receivable	-	-	-	-	-	208,055
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>208,055</u>
<b>Fund Balances:</b>						
Restricted:						
Stabilization by state statute	-	-	-	2,065	2,065	2,427
Restricted, all other	-	-	-	42,819	42,819	1,059,199
Committed	37,253	1,200,000	342,507	-	1,579,760	1,579,760
Total fund balances	<u>37,253</u>	<u>1,200,000</u>	<u>342,507</u>	<u>44,884</u>	<u>1,624,644</u>	<u>2,641,386</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 37,253</u>	<u>\$ 1,200,000</u>	<u>\$ 342,507</u>	<u>\$ 44,884</u>	<u>\$ 1,624,644</u>	<u>\$ 2,912,321</u>

ALAMANCE COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Special Revenue Funds</u>		
	<u>Emergency Telephone System Fund</u>	<u>Fire Districts Funds</u>	<u>Total</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ -	\$ 5,328,148	\$ 5,328,148
Restricted intergovernmental	578,436	-	578,436
Contributions	-	-	-
Investment earnings	12,860	-	12,860
Total revenues	<u>591,296</u>	<u>5,328,148</u>	<u>5,919,444</u>
<b>Expenditures:</b>			
Current:			
Public safety	648,891	5,328,148	5,977,039
Intergovernmental:			
Education	-	-	-
Total expenditures	<u>648,891</u>	<u>5,328,148</u>	<u>5,977,039</u>
Revenues over (under) expenditures	<u>(57,595)</u>	<u>-</u>	<u>(57,595)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	8,410	-	8,410
Transfers out	-	-	-
Total other financing sources (uses)	<u>8,410</u>	<u>-</u>	<u>8,410</u>
Net change in fund balances	(49,185)	-	(49,185)
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>1,065,927</u>	<u>-</u>	<u>1,065,927</u>
End of year - June 30	<u>\$ 1,016,742</u>	<u>\$ -</u>	<u>\$ 1,016,742</u>

ALAMANCE COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2018

	Capital Projects Funds				Total	Total Nonmajor Governmental Funds
	Capital Reserve Funds	Mental Health Diversion Center Fund	Alamance Community College Fund	800 MHZ Emergency Equipment Fund		
<b>Revenues:</b>						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,328,148
Restricted intergovernmental	-	-	-	-	-	578,436
Contributions	-	1,200,000	-	-	1,200,000	1,200,000
Investment earnings	14,369	-	4,948	-	19,317	32,177
Total revenues	<u>14,369</u>	<u>1,200,000</u>	<u>4,948</u>	<u>-</u>	<u>1,219,317</u>	<u>7,138,761</u>
<b>Expenditures:</b>						
Current:						
Public safety	-	-	-	-	-	5,977,039
Intergovernmental:						
Education	-	-	2,802,704	-	2,802,704	2,802,704
Total expenditures	<u>-</u>	<u>-</u>	<u>2,802,704</u>	<u>-</u>	<u>2,802,704</u>	<u>8,779,743</u>
Revenues over (under) expenditures	<u>14,369</u>	<u>1,200,000</u>	<u>(2,797,756)</u>	<u>-</u>	<u>(1,583,387)</u>	<u>(1,640,982)</u>
<b>Other Financing Sources (Uses):</b>						
Transfers in	1,549,519	-	-	-	1,549,519	1,557,929
Transfers out	(1,869,796)	-	-	-	(1,869,796)	(1,869,796)
Total other financing sources (uses)	<u>(320,277)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(320,277)</u>	<u>(311,867)</u>
Net change in fund balances	(305,908)	1,200,000	(2,797,756)	-	(1,903,664)	(1,952,849)
<b>Fund Balances:</b>						
Beginning of year - July 1	<u>343,161</u>	<u>-</u>	<u>3,140,263</u>	<u>44,884</u>	<u>3,528,308</u>	<u>4,594,235</u>
End of year - June 30	<u>\$ 37,253</u>	<u>\$ 1,200,000</u>	<u>\$ 342,507</u>	<u>\$ 44,884</u>	<u>\$ 1,624,644</u>	<u>\$ 2,641,386</u>

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, 2018  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017**

	2018			2017
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental	\$ 661,686	\$ 578,436	\$ (83,250)	\$ 661,585
Investment earnings	-	12,860	12,860	16,264
Total revenues	<u>661,686</u>	<u>591,296</u>	<u>(70,390)</u>	<u>677,849</u>
<b>Expenditures:</b>				
Implemental functions	228,030	140,979	87,051	77,519
Telephone	287,968	169,695	118,273	352,774
Software maintenance	99,719	98,020	1,699	104,661
Hardware maintenance	437,760	235,000	202,760	308,650
Training	16,000	5,197	10,803	11,315
Total expenditures	<u>1,069,477</u>	<u>648,891</u>	<u>420,586</u>	<u>854,919</u>
Revenues over (under) expenditures	<u>(407,791)</u>	<u>(57,595)</u>	<u>350,196</u>	<u>(177,070)</u>
<b>Other Financing Sources (Uses):</b>				
Transfer from General Fund	8,410	8,410	-	-
Appropriated fund balance	<u>399,381</u>	<u>-</u>	<u>(399,381)</u>	<u>-</u>
Total other financing sources (uses)	<u>407,791</u>	<u>8,410</u>	<u>(399,381)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(49,185)</u>	<u>\$ (49,185)</u>	<u>(177,070)</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>1,065,927</u>		<u>1,242,997</u>
End of year - June 30		<u>\$ 1,016,742</u>		<u>\$ 1,065,927</u>

**PSAP RECONCILIATION  
JUNE 30, 2018**

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

Net change in fund balance, reported budget to actual	\$ (49,185)
Cumulative current and prior period revenues and expenditures not reported in the fund (difference in beginning fund balance - budget to actual vs. PSAP report)	(1,968)
Beginning balance, PSAP revenue-expenditure report	<u>1,025,227</u>
Ending balance, PSAP revenue-expenditure report	<u>\$ 974,074</u>

ALAMANCE COUNTY, NORTH CAROLINA

FIRE DISTRICTS FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2018

	<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>Assets:</b>						
Cash and cash equivalents	\$ 9,182	\$ 2,968	\$ 3,080	\$ 6,284	\$ 3,752	\$ 1,294
Taxes receivable, net	24,816	11,202	7,649	16,793	19,700	2,049
Total assets	<u>\$ 33,998</u>	<u>\$ 14,170</u>	<u>\$ 10,729</u>	<u>\$ 23,077</u>	<u>\$ 23,452</u>	<u>\$ 3,343</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 9,182	\$ 2,968	\$ 3,080	\$ 6,284	\$ 3,752	\$ 1,294
<b>Deferred Inflows of Resources:</b>						
Taxes receivable	24,816	11,202	7,649	16,793	19,700	2,049
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 33,998</u>	<u>\$ 14,170</u>	<u>\$ 10,729</u>	<u>\$ 23,077</u>	<u>\$ 23,452</u>	<u>\$ 3,343</u>

ALAMANCE COUNTY, NORTH CAROLINA

FIRE DISTRICTS FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2018

	<u>Eli Whitney/87 South Fund</u>	<u>E.M. Holt Fund</u>	<u>Altamahaw- Ossipee Fund</u>	<u>East Alamance Fund</u>	<u>Haw River Fund</u>	<u>Snow Camp Fund</u>	<u>Total</u>
<b>Assets:</b>							
Cash and cash equivalents	\$ 3,234	\$ 8,185	\$ 6,839	\$ 4,556	\$ 3,652	\$ 4,551	\$ 57,577
Taxes receivable, net	13,998	32,783	15,161	14,317	19,367	30,220	208,055
Total assets	<u>\$ 17,232</u>	<u>\$ 40,968</u>	<u>\$ 22,000</u>	<u>\$ 18,873</u>	<u>\$ 23,019</u>	<u>\$ 34,771</u>	<u>\$ 265,632</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 3,234	\$ 8,185	\$ 6,839	\$ 4,556	\$ 3,652	\$ 4,551	\$ 57,577
<b>Deferred Inflows of Resources:</b>							
Taxes receivable	13,998	32,783	15,161	14,317	19,367	30,220	208,055
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,232</u>	<u>\$ 40,968</u>	<u>\$ 22,000</u>	<u>\$ 18,873</u>	<u>\$ 23,019</u>	<u>\$ 34,771</u>	<u>\$ 265,632</u>

ALAMANCE COUNTY, NORTH CAROLINA

**FIRE DISTRICTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2018**

	<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>Revenues:</b>						
Ad valorem taxes:						
Taxes	\$ 748,806	\$ 319,424	\$ 298,698	\$ 472,390	\$ 333,351	\$ 147,173
Penalties and interest	2,096	1,647	1,056	1,726	2,634	495
Total revenues	<u>750,902</u>	<u>321,071</u>	<u>299,754</u>	<u>474,116</u>	<u>335,985</u>	<u>147,668</u>
<b>Expenditures:</b>						
Current:						
Public safety	<u>750,902</u>	<u>321,071</u>	<u>299,754</u>	<u>474,116</u>	<u>335,985</u>	<u>147,668</u>
Total expenditures	<u>750,902</u>	<u>321,071</u>	<u>299,754</u>	<u>474,116</u>	<u>335,985</u>	<u>147,668</u>
Net change in fund balance	-	-	-	-	-	-
<b>Fund Balances:</b>						
Beginning of year - July 1	-	-	-	-	-	-
End of year - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ALAMANCE COUNTY, NORTH CAROLINA

**FIRE DISTRICTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Eli Whitney/87 South Fund</u>	<u>E.M. Holt Fund</u>	<u>Altamahaw- Ossipee Fund</u>	<u>East Alamance Fund</u>	<u>Haw River Fund</u>	<u>Snow Camp Fund</u>	<u>Total</u>
<b>Revenues:</b>							
Ad valorem taxes:							
Taxes	\$ 388,921	\$ 807,054	\$ 592,423	\$ 457,893	\$ 272,892	\$ 465,396	\$ 5,304,421
Penalties and interest	1,941	2,399	2,462	2,320	2,145	2,806	23,727
Total revenues	<u>390,862</u>	<u>809,453</u>	<u>594,885</u>	<u>460,213</u>	<u>275,037</u>	<u>468,202</u>	<u>5,328,148</u>
<b>Expenditures:</b>							
Current:							
Public safety	<u>390,862</u>	<u>809,453</u>	<u>594,885</u>	<u>460,213</u>	<u>275,037</u>	<u>468,202</u>	<u>5,328,148</u>
Total expenditures	<u>390,862</u>	<u>809,453</u>	<u>594,885</u>	<u>460,213</u>	<u>275,037</u>	<u>468,202</u>	<u>5,328,148</u>
Net change in fund balance	-	-	-	-	-	-	-
<b>Fund Balances:</b>							
Beginning of year - July 1	-	-	-	-	-	-	-
End of year - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## ALAMANCE COUNTY, NORTH CAROLINA

## FIRE DISTRICTS FUNDS

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2018

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Ad valorem taxes:				
Sweptonville	\$ 750,902	\$ 750,902	\$ -	\$ 751,496
54 East	321,071	321,071	-	329,295
Elon Fire/Rescue	299,754	299,754	-	288,639
Faucette	474,116	474,116	-	473,904
North Eastern Alamance	335,985	335,985	-	324,961
North Central Alamance	147,668	147,668	-	146,192
Eli Whitney/87 South	390,862	390,862	-	381,504
E.M. Holt	809,453	809,453	-	731,767
Altamahaw-Ossipee	594,885	594,885	-	488,048
East Alamance	460,213	460,213	-	450,217
Haw River	275,037	275,037	-	285,412
Snow Camp	468,202	468,202	-	459,402
Total revenues	<u>5,328,148</u>	<u>5,328,148</u>	<u>-</u>	<u>5,110,837</u>
<b>Expenditures:</b>				
Current:				
Public safety:				
Sweptonville	750,902	750,902	-	751,496
54 East	321,071	321,071	-	329,295
Elon Fire/Rescue	299,754	299,754	-	288,639
Faucette	474,116	474,116	-	473,904
North Eastern Alamance	335,985	335,985	-	324,961
North Central Alamance	147,668	147,668	-	146,192
Eli Whitney/87 South	390,862	390,862	-	381,504
E.M. Holt	809,453	809,453	-	731,767
Altamahaw-Ossipee	594,885	594,885	-	488,048
East Alamance	460,213	460,213	-	450,217
Haw River	275,037	275,037	-	285,412
Snow Camp	468,202	468,202	-	459,402
Total expenditures	<u>5,328,148</u>	<u>5,328,148</u>	<u>-</u>	<u>5,110,837</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ -</u>		<u>\$ -</u>

***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, 2018

	<u>Schools Fund</u>	<u>County Buildings Fund</u>	<u>Alamance Community College Fund</u>	<u>Total</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 14,092	\$ 17,858	\$ 5,303	\$ 37,253
Total assets	<u>\$ 14,092</u>	<u>\$ 17,858</u>	<u>\$ 5,303</u>	<u>\$ 37,253</u>
<b>Fund Balances:</b>				
Committed	\$ 14,092	\$ 17,858	\$ 5,303	\$ 37,253
Total fund balances	<u>\$ 14,092</u>	<u>\$ 17,858</u>	<u>\$ 5,303</u>	<u>\$ 37,253</u>

## ALAMANCE COUNTY, NORTH CAROLINA

## CAPITAL RESERVE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Schools Fund</u>	<u>County Buildings Fund</u>	<u>Alamance Community College Fund</u>	<u>Total</u>
<b>Revenues:</b>				
Investment earnings	\$ 14,090	\$ 215	\$ 64	\$ 14,369
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,549,519	-	-	1,549,519
Transfers (out)	<u>(1,869,796)</u>	<u>-</u>	<u>-</u>	<u>(1,869,796)</u>
Total other financing sources (uses)	<u>(320,277)</u>	<u>-</u>	<u>-</u>	<u>(320,277)</u>
Net change in fund balances	(306,187)	215	64	(305,908)
<b>Fund Balance:</b>				
Beginning of year - July 1	<u>320,279</u>	<u>17,643</u>	<u>5,239</u>	<u>343,161</u>
End of year - June 30	<u>\$ 14,092</u>	<u>\$ 17,858</u>	<u>\$ 5,303</u>	<u>\$ 37,253</u>

## ALAMANCE COUNTY, NORTH CAROLINA

## CAPITAL RESERVE FUNDS

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2018

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings:				
Schools	\$ 1,000	\$ 14,090	\$ 13,090	\$ 4,884
County buildings	1,000	215	(785)	262
Alamance Community College	1,000	64	(936)	80
Total revenues	<u>3,000</u>	<u>14,369</u>	<u>11,369</u>	<u>5,226</u>
<b>Other Financing Sources (Uses):</b>				
Schools:				
Transfer from General Fund	1,549,519	1,549,519	-	-
Transfer to Schools Capital Project Fund	(1,869,796)	(1,869,796)	-	-
Transfer to Alamance Community College	(1,000)	-	1,000	-
County Building:				
Transfer to other funds	(1,000)	-	1,000	-
Transfers in from other funds	-	-	-	2,483
Appropriated fund balance:				
Schools	319,277	-	(319,277)	-
Total other financing sources (uses)	<u>(3,000)</u>	<u>(320,277)</u>	<u>(317,277)</u>	<u>2,483</u>
Net change in fund balance	<u>\$ -</u>	<u>(305,908)</u>	<u>\$ (305,908)</u>	<u>7,709</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>343,161</u>		<u>335,452</u>
End of year - June 30		<u>\$ 37,253</u>		<u>\$ 343,161</u>

## ALAMANCE COUNTY, NORTH CAROLINA

**MENTAL HEALTH DIVERSION CENTER CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
<b>Revenues:</b>					
Contributions	\$ 1,200,000	\$ -	\$ 1,200,000	\$ 1,200,000	\$ -
<b>Expenditures:</b>					
Capital outlay - other improvements	1,200,000	-	-	-	(1,200,000)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,200,000	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			-		
End of year - June 30			<u>\$ 1,200,000</u>		

## ALAMANCE COUNTY, NORTH CAROLINA

ALAMANCE COMMUNITY COLLEGE CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Investment earnings	\$ 533,000	\$ 574,157	\$ 4,948	\$ 579,105	\$ 46,105
<b>Expenditures:</b>					
General construction - ACC	15,685,497	4,500,000	-	4,500,000	11,185,497
Bond issuance cost	145,529	121,645	-	121,645	23,884
Glass replacement	-	300,000	-	300,000	(300,000)
General construction - Allied Health Building	-	6,481,843	-	6,481,843	(6,481,843)
General construction - Literacy Building	-	1,648,639	-	1,648,639	(1,648,639)
General construction - Tech Center	13,485,265	13,165,058	2,802,704	15,967,762	(2,482,497)
Total expenditures	29,316,291	26,217,185	2,802,704	29,019,889	296,402
Revenues over (under) expenditures	(28,783,291)	(25,643,028)	(2,797,756)	(28,440,784)	342,507
<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	27,045,529	27,045,529	-	27,045,529	-
Bond premium	1,067,762	1,067,762	-	1,067,762	-
Total other financing sources (uses)	28,783,291	28,783,291	-	28,783,291	-
Net change in fund balance	\$ -	\$ 3,140,263	(2,797,756)	\$ 342,507	\$ 342,507
<b>Fund Balance:</b>					
Beginning of year - July 1			3,140,263		
End of year - June 30			\$ 342,507		

## 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, 2018**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
<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	<u>4,660,920</u>	<u>4,652,134</u>	<u>-</u>	<u>4,652,134</u>	<u>8,786</u>
Revenues over (under) expenditures	<u>(4,650,000)</u>	<u>(4,637,876)</u>	<u>-</u>	<u>(4,637,876)</u>	<u>12,124</u>
<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)	<u>4,650,000</u>	<u>4,682,760</u>	<u>-</u>	<u>4,682,760</u>	<u>32,760</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 44,884</u>	<u>-</u>	<u>\$ 44,884</u>	<u>\$ 44,884</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>44,884</u>		
End of year - June 30			<u>\$ 44,884</u>		

***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, 2018  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Operating revenues:				
Landfill user charges	\$ 3,509,696	\$ 3,834,747	\$ 325,051	\$ 3,687,016
Scrap tire disposal grant	-	184	184	-
Miscellaneous	435,000	514,570	79,570	788,450
Total operating revenues	<u>3,944,696</u>	<u>4,349,501</u>	<u>404,805</u>	<u>4,475,466</u>
Non-operating revenues:				
Interest on investments	<u>12,000</u>	<u>59,873</u>	<u>47,873</u>	<u>21,343</u>
Total revenues	<u>3,956,696</u>	<u>4,409,374</u>	<u>452,678</u>	<u>4,496,809</u>
<b>Expenditures:</b>				
Environmental protection:				
Landfill:				
Administration:				
Fixed charges and other expenditures	<u>147,297</u>	<u>147,297</u>	<u>-</u>	<u>154,915</u>
Operations:				
Salaries and benefits	1,258,254	1,043,424	214,830	1,133,128
Supplies and materials	43,473	34,798	8,675	37,927
Current obligations and services	627,678	564,085	63,593	482,466
State mandated MSW/C&D charges	200,000	197,721	2,279	189,874
Fixed charges and other expenditures	<u>650,839</u>	<u>642,890</u>	<u>7,949</u>	<u>578,811</u>
Total operations expenditures	<u>2,780,244</u>	<u>2,482,918</u>	<u>297,326</u>	<u>2,422,206</u>
Total environmental protection	<u>2,927,541</u>	<u>2,630,215</u>	<u>297,326</u>	<u>2,577,121</u>
Budgetary appropriations:				
Other capital outlay	<u>1,071,000</u>	<u>117,025</u>	<u>953,975</u>	<u>1,458,988</u>
Total expenditures	<u>3,998,541</u>	<u>2,747,240</u>	<u>1,251,301</u>	<u>4,036,109</u>

ALAMANCE COUNTY, NORTH CAROLINA

LANDFILL ENTERPRISE FUND  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2018  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	Budget	Actual	Variance Over/Under	Actual
Revenues over (under) expenditures	(41,845)	1,662,134	1,703,979	460,700
<b>Other Financing Sources (Uses):</b>				
Appropriated net position	41,845	-	(41,845)	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 1,662,134	\$ 1,662,134	\$ 460,700
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 1,662,134		\$ 460,700
Reconciling items:				
Capital outlay		117,025		1,458,988
Loss on disposal of capital assets		(5,295)		(667)
Change in accrued landfill closure and post-closure care costs		(570,554)		(560,542)
Change in compensated absences payable		1,484		(7,160)
Change in deferred outflows of resources - pension		(80,428)		(182,580)
Change in net pension liability		(69,029)		216,351
Change in deferred inflows of resources - pension		4,300		(19,736)
Change in deferred outflows of resources - OPEB		30,699		-
Change in deferred inflows of resources - OPEB		(181,695)		-
Change in OPEB liability		71,615		(99,797)
Depreciation		(689,797)		(731,064)
Change in net position		\$ 290,459		\$ 534,493

***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, 2018

	<u>Employee Insurance Fund</u>	<u>Workers' Compensation Fund</u>	<u>Property Insurance Fund</u>	<u>Total</u>
<b>Assets:</b>				
Current assets:				
Cash and cash equivalents	\$ -	\$ 538,535	\$ 111,266	\$ 649,801
Accounts receivable, net	<u>7,460</u>	<u>1,459</u>	<u>-</u>	<u>8,919</u>
Total assets	<u>7,460</u>	<u>539,994</u>	<u>111,266</u>	<u>658,720</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	329,562	33,961	-	363,523
Due to other funds	<u>1,733,601</u>	<u>-</u>	<u>-</u>	<u>1,733,601</u>
Total liabilities	<u>2,063,163</u>	<u>33,961</u>	<u>-</u>	<u>2,097,124</u>
<b>Net Position:</b>				
Unrestricted	<u>\$ (2,055,703)</u>	<u>\$ 506,033</u>	<u>\$ 111,266</u>	<u>\$ (1,438,404)</u>

## ALAMANCE COUNTY, NORTH CAROLINA

## INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Employee Insurance Fund</u>	<u>Workers' Compensation Fund</u>	<u>Property Insurance Fund</u>	<u>Total</u>
<b>Operating Revenues:</b>				
Charges for services	\$ 10,116,761	\$ 699,484	\$ 264	\$ 10,816,509
Miscellaneous revenues	2,936	-	-	2,936
Total operating revenues	<u>10,119,697</u>	<u>699,484</u>	<u>264</u>	<u>10,819,445</u>
<b>Operating Expenditures:</b>				
Administration	-	758	-	758
Personal services	9,761,364	860,462	-	10,621,826
Fixed charges and other expenditures	10,997	6,356	20,341	37,694
Total operating expenditures	<u>9,772,361</u>	<u>867,576</u>	<u>20,341</u>	<u>10,660,278</u>
Operating income (loss)	<u>347,336</u>	<u>(168,092)</u>	<u>(20,077)</u>	<u>159,167</u>
<b>Non-Operating Revenue (Expense):</b>				
Investment earnings	-	8,496	1,404	9,900
Change in net position	347,336	(159,596)	(18,673)	169,067
<b>Net Position:</b>				
Beginning of year- July 1	<u>(2,403,039)</u>	<u>665,629</u>	<u>129,939</u>	<u>(1,607,471)</u>
End of year - June 30	<u>\$ (2,055,703)</u>	<u>\$ 506,033</u>	<u>\$ 111,266</u>	<u>\$ (1,438,404)</u>

## ALAMANCE COUNTY, NORTH CAROLINA

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<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	\$ 10,119,697	\$ 699,484	\$ 264	\$ 10,819,445
Cash paid for goods and services	<u>(9,847,812)</u>	<u>(854,077)</u>	<u>(20,341)</u>	<u>(10,722,230)</u>
Net cash provided (used) by operating activities	<u>271,885</u>	<u>(154,593)</u>	<u>(20,077)</u>	<u>97,215</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Advances to/from other funds	<u>(271,885)</u>	<u>-</u>	<u>-</u>	<u>(271,885)</u>
<b>Cash Flows from Investing Activities:</b>				
Investment earnings	<u>-</u>	<u>8,496</u>	<u>1,404</u>	<u>9,900</u>
Net increase (decrease) in cash and cash equivalents	-	(146,097)	(18,673)	(164,770)
<b>Cash and Cash Equivalents/Investments:</b>				
Beginning of year - July 1	<u>-</u>	<u>684,632</u>	<u>129,939</u>	<u>814,571</u>
End of year - June 30	<u>\$ -</u>	<u>\$ 538,535</u>	<u>\$ 111,266</u>	<u>\$ 649,801</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ 347,336	\$ (168,092)	\$ (20,077)	\$ 159,167
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets and liabilities:				
Increase (decrease) in accounts payable	<u>(75,451)</u>	<u>13,499</u>	<u>-</u>	<u>(61,952)</u>
Net cash provided (used) by operating activities	<u>\$ 271,885</u>	<u>\$ (154,593)</u>	<u>\$ (20,077)</u>	<u>\$ 97,215</u>

## ALAMANCE COUNTY, NORTH CAROLINA

**INTERNAL SERVICE FUNDS -  
EMPLOYEE INSURANCE FUND  
SCHEDULE OF REVENUES AND EXPENDITURES -  
FINANCIAL PLAN AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2018  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017**

	2018			2017
	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Operating Revenues:</b>				
Charges for services	\$ 9,617,786	\$ 10,116,761	\$ 498,975	\$ 9,376,719
Miscellaneous revenue	-	2,936	2,936	-
Excess claims reimbursements	-	-	-	15,973
Total operating revenues	<u>9,617,786</u>	<u>10,119,697</u>	<u>501,911</u>	<u>9,392,692</u>
<b>Non-Operating Revenue (Expense):</b>				
Investment earnings	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>	<u>174</u>
Total revenues	<u>9,622,786</u>	<u>10,119,697</u>	<u>496,911</u>	<u>9,392,866</u>
<b>Operating Expenditures:</b>				
Administration	5,499	-	5,499	6,212
Personal services	9,593,387	9,761,364	(167,977)	11,020,566
Fixed charges and other expenditures	<u>23,900</u>	<u>10,997</u>	<u>12,903</u>	<u>12,527</u>
Total operating expenditures	<u>9,622,786</u>	<u>9,772,361</u>	<u>(149,575)</u>	<u>11,039,305</u>
Change in net position	<u>\$ -</u>	<u>\$ 347,336</u>	<u>\$ 347,336</u>	<u>\$ (1,646,439)</u>
<b>Reconciliation of Financial Plan Basis (Modified Accrual) to Full Accrual:</b>				
Change in net position		<u>\$ 347,336</u>		<u>\$ (1,646,439)</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, 2018

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	Financial Plan	Actual	Variance Over/Under	Actual
<b>Operating Revenues:</b>				
Charges for services	\$ 899,000	\$ 699,484	\$ (199,516)	\$ 698,844
<b>Non-Operating Revenues:</b>				
Investment earnings	1,000	8,496	7,496	12,176
Total revenues	900,000	707,980	(192,020)	711,020
<b>Operating Expenditures:</b>				
Administration	758	758	-	938
Personal services	895,242	860,462	34,780	751,804
Fixed charges and other expenditures	4,000	6,356	(2,356)	3,878
Total operating expenditures	900,000	867,576	32,424	756,620
Change in net position	\$ -	\$ (159,596)	\$ (159,596)	\$ (45,600)
<b>Reconciliation of Financial Plan Basis (Modified Accrual) to Full Accrual:</b>				
Change in net position		\$ (159,596)		\$ (45,600)

## 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, 2018

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	Financial Plan	Actual	Variance Over/Under	Actual
<b>Operating Revenues:</b>				
Charges for services	\$ 527,590	\$ 264	\$ (527,326)	\$ 527,590
<b>Non-Operating Revenue (Expense):</b>				
Investment earnings	-	1,404	1,404	1,981
Total revenues	527,590	1,668	(525,922)	529,571
<b>Operating Expenditures:</b>				
Administration	20,000	-	20,000	18,850
Fixed charges and other expenditures	507,590	20,341	487,249	524,052
Total operating expenditures	527,590	20,341	507,249	542,902
Change in net position	\$ -	\$ (18,673)	\$ (18,673)	\$ (13,331)
<b>Reconciliation of Financial Plan Basis (Modified Accrual) to Full Accrual:</b>				
Change in net position		\$ (18,673)		\$ (13,331)

***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, 2018**

	<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	\$ 169,020	\$ 135,641	\$ 304,661
 Total assets	<u>\$ 169,020</u>	<u>\$ 135,641</u>	<u>\$ 304,661</u>
 <b>Net Position:</b>			
Assets held in trust for beneficiaries	\$ 169,020	\$ 135,641	\$ 304,661
 Total net position	<u>\$ 169,020</u>	<u>\$ 135,641</u>	<u>\$ 304,661</u>

## ALAMANCE COUNTY, NORTH CAROLINA

**PRIVATE-PURPOSE TRUST FUNDS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Indigent Trust Fund</u>	<u>General Trust Fund</u>	<u>Total</u>
<b>Additions:</b>			
Restricted intergovernmental	\$ 620,306	\$ -	\$ 620,306
Permits and fees	-	39,100	39,100
Investment earnings	-	90	90
Inmate and health deposits	-	1,620,631	1,620,631
Total additions	<u>620,306</u>	<u>1,659,821</u>	<u>2,280,127</u>
<b>Deductions:</b>			
Current:			
Human services	<u>573,567</u>	<u>1,640,987</u>	<u>2,214,554</u>
Change in net position	46,739	18,834	65,573
<b>Net Position:</b>			
Beginning of year - July 1	<u>122,281</u>	<u>116,807</u>	<u>239,088</u>
End of year - June 30	<u>\$ 169,020</u>	<u>\$ 135,641</u>	<u>\$ 304,661</u>

***AGENCY FUNDS***

ALAMANCE COUNTY, NORTH CAROLINA

AGENCY FUNDS  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
JUNE 30, 2018

	<u>Village of Alamance Fund</u>	<u>Town of Haw River Fund</u>	<u>Altamahaw- Ossipee Sanitary District Fund</u>	<u>Town of Green Level Fund</u>	<u>City of Graham Fund</u>
<b>Assets:</b>					
Cash and cash equivalents	\$ 2,157	\$ 7,860	\$ 216	\$ 3,984	\$ 51,628
Taxes receivable, net	<u>3,318</u>	<u>25,921</u>	<u>768</u>	<u>39,069</u>	<u>33,243</u>
Total assets	<u>\$ 5,475</u>	<u>\$ 33,781</u>	<u>\$ 984</u>	<u>\$ 43,053</u>	<u>\$ 84,871</u>
<b>Liabilities:</b>					
Intergovernmental payable	<u>\$ 5,475</u>	<u>\$ 33,781</u>	<u>\$ 984</u>	<u>\$ 43,053</u>	<u>\$ 84,871</u>
Total liabilities	<u>\$ 5,475</u>	<u>\$ 33,781</u>	<u>\$ 984</u>	<u>\$ 43,053</u>	<u>\$ 84,871</u>

ALAMANCE COUNTY, NORTH CAROLINA

AGENCY FUNDS  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
JUNE 30, 2018

	<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>					
Cash and cash equivalents	\$ 247,500	\$ 23,932	\$ 51,903	\$ 17,413	\$ 406,593
Taxes receivable, net	<u>146,859</u>	<u>5,530</u>	<u>225,673</u>	<u>4,480</u>	<u>484,861</u>
Total assets	<u>\$ 394,359</u>	<u>\$ 29,462</u>	<u>\$ 277,576</u>	<u>\$ 21,893</u>	<u>\$ 891,454</u>
<b>Liabilities:</b>					
Intergovernmental payable	<u>\$ 394,359</u>	<u>\$ 29,462</u>	<u>\$ 277,576</u>	<u>\$ 21,893</u>	<u>\$ 891,454</u>
Total liabilities	<u>\$ 394,359</u>	<u>\$ 29,462</u>	<u>\$ 277,576</u>	<u>\$ 21,893</u>	<u>\$ 891,454</u>

ALAMANCE COUNTY, NORTH CAROLINA

AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>Village of Alamance Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 2,182	\$ 226,147	\$ 226,172	\$ 2,157
Taxes receivable (net)	<u>2,800</u>	<u>196,297</u>	<u>195,779</u>	<u>3,318</u>
Total assets	<u>\$ 4,982</u>	<u>\$ 422,444</u>	<u>\$ 421,951</u>	<u>\$ 5,475</u>
<b>Liabilities:</b>				
Intergovernmental payable	<u>\$ 4,982</u>	<u>\$ 422,444</u>	<u>\$ 421,951</u>	<u>\$ 5,475</u>
<b>Town of Haw River Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 7,416	\$ 736,683	\$ 736,239	\$ 7,860
Taxes receivable (net)	<u>25,777</u>	<u>643,810</u>	<u>643,666</u>	<u>25,921</u>
Total assets	<u>\$ 33,193</u>	<u>\$ 1,380,493</u>	<u>\$ 1,379,905</u>	<u>\$ 33,781</u>
<b>Liabilities:</b>				
Intergovernmental payable	<u>\$ 33,193</u>	<u>\$ 1,380,493</u>	<u>\$ 1,379,905</u>	<u>\$ 33,781</u>
<b>Altamahaw-Ossipee Sanitary District Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 160	\$ 19,620	\$ 19,564	\$ 216
Taxes receivable (net)	<u>1,169</u>	<u>32,251</u>	<u>32,652</u>	<u>768</u>
Total assets	<u>\$ 1,329</u>	<u>\$ 51,871</u>	<u>\$ 52,216</u>	<u>\$ 984</u>
<b>Liabilities:</b>				
Intergovernmental payable	<u>\$ 1,329</u>	<u>\$ 51,871</u>	<u>\$ 52,216</u>	<u>\$ 984</u>
<b>Town of Green Level Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 3,586	\$ 277,561	\$ 277,163	\$ 3,984
Taxes receivable (net)	<u>47,607</u>	<u>479,148</u>	<u>487,686</u>	<u>39,069</u>
Total assets	<u>\$ 51,193</u>	<u>\$ 756,709</u>	<u>\$ 764,849</u>	<u>\$ 43,053</u>
<b>Liabilities:</b>				
Intergovernmental payable	<u>\$ 51,193</u>	<u>\$ 756,709</u>	<u>\$ 764,849</u>	<u>\$ 43,053</u>
<b>City of Graham Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 44,288	\$ 525,127	\$ 517,787	\$ 51,628
Taxes receivable (net)	<u>42,048</u>	<u>44,120</u>	<u>52,925</u>	<u>33,243</u>
Total assets	<u>\$ 86,336</u>	<u>\$ 569,247</u>	<u>\$ 570,712</u>	<u>\$ 84,871</u>
<b>Liabilities:</b>				
Intergovernmental payable	<u>\$ 86,336</u>	<u>\$ 569,247</u>	<u>\$ 570,712</u>	<u>\$ 84,871</u>

ALAMANCE COUNTY, NORTH CAROLINA

AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>City of Burlington Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 235,690	\$ 2,659,436	\$ 2,647,626	\$ 247,500
Taxes receivable (net)	<u>179,157</u>	<u>190,467</u>	<u>222,765</u>	<u>146,859</u>
Total assets	<u>\$ 414,847</u>	<u>\$ 2,849,903</u>	<u>\$ 2,870,391</u>	<u>\$ 394,359</u>
<b>Liabilities:</b>				
Intergovernmental payable	<u>\$ 414,847</u>	<u>\$ 2,849,903</u>	<u>\$ 2,870,391</u>	<u>\$ 394,359</u>
<b>Town of Elon Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 22,062	\$ 244,472	\$ 242,602	\$ 23,932
Taxes receivable (net)	<u>7,072</u>	<u>7,488</u>	<u>9,030</u>	<u>5,530</u>
Total assets	<u>\$ 29,134</u>	<u>\$ 251,960</u>	<u>\$ 251,632</u>	<u>\$ 29,462</u>
<b>Liabilities:</b>				
Intergovernmental payable	<u>\$ 29,134</u>	<u>\$ 251,960</u>	<u>\$ 251,632</u>	<u>\$ 29,462</u>
<b>City of Mebane Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 49,245	\$ 9,350,073	\$ 9,347,415	\$ 51,903
Taxes receivable (net)	<u>125,637</u>	<u>15,838,964</u>	<u>15,738,928</u>	<u>225,673</u>
Total assets	<u>\$ 174,882</u>	<u>\$ 25,189,037</u>	<u>\$ 25,086,343</u>	<u>\$ 277,576</u>
<b>Liabilities:</b>				
Intergovernmental payable	<u>\$ 174,882</u>	<u>\$ 25,189,037</u>	<u>\$ 25,086,343</u>	<u>\$ 277,576</u>
<b>Town of Gibsonville Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 18,258	\$ 191,537	\$ 192,382	\$ 17,413
Taxes receivable (net)	<u>5,737</u>	<u>6,595</u>	<u>7,852</u>	<u>4,480</u>
Total assets	<u>\$ 23,995</u>	<u>\$ 198,132</u>	<u>\$ 200,234</u>	<u>\$ 21,893</u>
<b>Liabilities:</b>				
Intergovernmental payable	<u>\$ 23,995</u>	<u>\$ 198,132</u>	<u>\$ 200,234</u>	<u>\$ 21,893</u>
<b>Fines and Forfeitures Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 756,120</u>	<u>\$ 756,120</u>	<u>\$ -</u>
<b>Liabilities:</b>				
Intergovernmental payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ALAMANCE COUNTY, NORTH CAROLINA**

**AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>Total - All Agency Funds:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 382,887	\$ 756,120	\$ 756,120	\$ 406,593
Taxes receivable (net)	<u>437,004</u>	<u>17,439,140</u>	<u>17,391,283</u>	<u>484,861</u>
Total assets	<u>\$ 819,891</u>	<u>\$ 18,195,260</u>	<u>\$ 18,147,403</u>	<u>\$ 891,454</u>
<b>Liabilities:</b>				
Intergovernmental payable	<u>\$ 819,891</u>	<u>\$ 31,669,796</u>	<u>\$ 31,598,233</u>	<u>\$ 891,454</u>

***SUPPLEMENTAL FINANCIAL DATA***

Alamance County, North Carolina  
Financial Statements and Schedules

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## ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE  
JUNE 30, 2018

<u>Fiscal Year</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Balance June 30, 2018</u>
2017-2018	\$ -	\$ 79,892,945	\$ 79,114,682	\$ 778,263
2016-2017	845,067	-	455,426	389,641
2015-2016	336,618	-	135,917	200,701
2014-2015	179,691	-	60,967	118,724
2013-2014	194,250	-	43,635	150,615
2012-2013	163,216	-	19,874	143,342
2011-2012	126,722	-	11,174	115,548
2010-2011	124,870	-	29,592	95,278
2009-2010	130,491	-	4,595	125,896
2008-2009	151,091	-	5,062	146,029
2007-2008	105,211	-	105,211	-
Total	<u>\$ 2,357,227</u>	<u>\$ 79,892,945</u>	<u>\$ 79,986,135</u>	2,264,037
Less: Allowance for uncollectible accounts - General Fund				<u>(665,732)</u>
Ad valorem taxes receivable, net - General Fund				<u>\$ 1,598,305</u>
<b>Reconciliation with Revenues:</b>				
Ad valorem taxes - General Fund				\$ 79,987,712
Reconciling items:				
Releases and adjustments				(106,788)
Amount written off per Statute of Limitations				<u>105,211</u>
Total collections and credits				<u>\$ 79,986,135</u>

ALAMANCE COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY  
FOR THE YEAR ENDED JUNE 30, 2018

	County-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>Original Levy:</b>					
Property taxed at current year's rate	\$ 13,764,109,138	\$ 0.58	\$ 79,831,833	\$ 71,891,158	\$ 7,940,675
Penalties	-		87,940	87,940	-
Total original levy	<u>13,764,109,138</u>		<u>79,919,773</u>	<u>71,979,098</u>	<u>7,940,675</u>
<b>Discoveries:</b>					
Current year taxes	44,518,448	0.58	258,207	257,704	503
Penalties	-		55,461	55,461	-
Total discoveries	<u>44,518,448</u>		<u>313,668</u>	<u>313,165</u>	<u>503</u>
<b>Abatements</b>	<u>(58,706,207)</u>	0.58	<u>(340,496)</u>	<u>(340,496)</u>	<u>-</u>
Total property valuation	<u>\$ 13,749,921,379</u>				
<b>Net Levy</b>			79,892,945	71,951,767	7,941,178
Uncollected taxes at June 30, 2018			<u>778,263</u>	<u>778,263</u>	<u>-</u>
<b>Current Year's Taxes Collected</b>			<u>\$ 79,114,682</u>	<u>\$ 71,173,504</u>	<u>\$ 7,941,178</u>
<b>Current Levy Collection Percentage</b>			<u>99.03%</u>	<u>98.92%</u>	<u>100.00%</u>

**ALAMANCE COUNTY, NORTH CAROLINA**

**ANALYSIS OF CURRENT YEAR LEVY  
FOR THE YEAR ENDED JUNE 30, 2018**

**Secondary Market Disclosures:**

Assessed valuation:

Assessment ratio (1) 100.00%

Real property \$ 10,708,117,973

Personal property 2,716,639,899

Public service companies (2) 325,163,507

Total assessed valuation \$ 13,749,921,379

Tax rate per \$100 \$ 0.58

Levy (includes discoveries, releases, and abatements) (3) \$ 79,892,945

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 \$ 4,783,919

- (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>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	126
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the government's most significant local revenue source, the property taxes.	130
<b>Debt Capacity</b> 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.	139
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	142
<b>Operating Information</b> 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.	145

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities:										
Net investment in capital assets	\$ 50,161,507	\$ 55,191,002	\$ 55,056,788	\$ 52,121,982	\$ 49,282,255	\$ 49,370,854	\$ 46,438,987	\$ 41,915,038	\$ 42,936,097	\$ 45,627,654
Restricted	16,070,192	15,799,919	14,915,071	12,914,369	10,266,047	9,544,524	12,585,862	6,422,378	6,174,216	6,765,314
Unrestricted	(115,745,317)	(60,583,658)	(42,806,702)	(48,196,605)	(47,588,418)	(51,870,031)	(54,852,917)	(41,339,189)	(28,046,387)	(33,568,454)
Total governmental activities net position	<u>\$ (49,513,618)</u>	<u>\$ 10,407,263</u>	<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>
Business-type activities										
Net investment in capital assets	\$ 13,212,539	\$ 13,790,606	\$ 13,063,349	\$ 13,523,183	\$ 13,348,938	\$ 13,081,014	\$ 13,339,920	\$ 13,044,534	\$ 13,413,380	\$ 13,689,738
Restricted	-	-	-	-	-	-	5,576,444	-	314,014	313,701
Unrestricted	8,324,659	8,651,259	8,844,023	7,928,221	7,292,012	7,011,792	-	5,688,933	4,847,249	4,342,635
Total business-type activities net position	<u>\$ 21,537,198</u>	<u>\$ 22,441,865</u>	<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>
Primary government										
Net investment in capital assets	\$ 63,374,046	\$ 68,981,608	\$ 68,120,137	\$ 65,645,165	\$ 62,631,193	\$ 62,451,868	\$ 59,778,907	\$ 54,959,572	\$ 56,349,477	\$ 59,317,392
Restricted	16,070,192	15,799,919	14,915,071	12,914,369	10,266,047	9,544,524	18,162,306	6,422,378	6,488,230	7,079,015
Unrestricted	(107,420,658)	(51,932,399)	(33,962,679)	(40,268,384)	(40,296,406)	(44,858,239)	(54,852,917)	(35,650,256)	(23,199,138)	(29,225,819)
Total primary government net position	<u>\$ (27,976,420)</u>	<u>\$ 32,849,128</u>	<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>

ALAMANCE COUNTY, NORTH CAROLINA

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

Table 2

	Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>REVENUES</b>										
<b>Function/Programs:</b>										
Charges for services:										
Public safety	\$ 10,001	\$ 7,766	\$ 8,113	\$ 4,345	\$ 8,069	\$ 9,294	\$ 8,012	\$ 8,252	\$ 7,863	\$ 6,629
Human services	4,254	3,125	2,321	3,198	1,769	2,600	3,067	5,616	5,542	5,596
Other	2,582	2,646	2,379	5,914	2,199	2,468	2,151	2,353	1,760	1,623
Subtotal	16,837	13,537	12,813	13,456	12,037	14,362	13,230	16,221	15,165	13,848
Operating grants and contributions	18,390	25,260	26,790	25,917	23,587	23,516	24,767	22,637	25,896	24,421
Capital grants and contributions	3,056	1,497	595	683	2,696	2,772	6,702	2,777	1,785	2,060
<b>General revenues:</b>										
Taxes:										
Property taxes, levied for general purpose	85,895	82,312	81,155	72,673	74,289	69,298	67,366	66,146	67,177	66,813
Local option sales tax	29,828	28,159	27,608	25,080	22,204	20,665	20,226	18,720	16,658	22,776
Other taxes and licenses	1,856	1,663	1,512	1,346	1,177	1,020	949	900	1,242	1,392
Grants and contributions not restricted to specific programs	-	-	-	-	-	-	-	-	-	-
Investment earnings	857	603	430	366	302	485	525	407	47	241
Miscellaneous, unrestricted	-	-	-	-	-	25	25	25	65	282
Special items	-	-	-	2,374	-	-	-	-	-	-
Subtotal	156,719	153,031	150,902	141,897	136,292	132,143	133,790	127,833	128,035	131,833
Landfill:										
Charges for services	4,349	4,475	4,122	4,187	4,259	3,713	3,599	3,543	3,531	3,287
Operating grants and contributions	-	-	-	10	40	4	2	-	-	138
Investment earnings	60	21	11	1	-	-	2	15	19	129
Miscellaneous, unrestricted	-	-	-	-	-	-	-	-	172	445
Subtotal	4,409	4,497	4,133	4,198	4,299	3,717	3,603	3,558	3,722	3,999
Total revenues	161,128	157,527	155,036	146,094	140,591	135,860	137,393	131,391	131,757	135,832
<b>EXPENSES</b>										
General government	16,871	19,621	14,780	14,208	13,744	12,644	14,519	13,475	10,946	11,764
Public Safety	44,785	41,567	39,034	36,135	36,976	35,211	35,159	35,567	33,617	34,194
Economic and physical development	3,764	2,643	2,903	1,605	1,815	1,758	1,792	2,116	1,297	1,697
Human services	32,364	36,697	34,768	36,704	33,935	33,432	33,790	33,229	33,615	34,698
Cultural and recreational	6,449	4,667	3,710	3,786	4,338	3,624	3,926	4,327	3,677	3,588
Education	49,903	57,786	41,598	37,497	36,346	34,963	42,430	45,992	38,763	40,787
Interest on long-term debt	2,248	3,175	2,297	2,550	2,972	6,478	3,655	3,659	3,415	3,611
Other expenses	1,695	1,651	1,486	841	1,252	1,158	1,347	1,376	465	457
Subtotal	158,079	167,806	140,577	133,328	131,378	129,268	136,618	139,741	125,795	130,796
Landfill	4,119	3,962	3,677	3,288	3,751	2,542	3,419	3,399	3,494	2,933
Total expenses	162,198	171,769	144,254	136,616	135,129	131,810	140,037	143,140	129,289	133,729
Change in net position	(1,070)	(14,241)	10,781	9,478	5,462	4,050	(2,644)	(11,749)	2,468	2,103
Net position-beginning, as restated	(26,906)	47,090	38,290	28,812	27,138	23,088	25,732	37,480	37,171	35,068
Net position-ending	\$ (27,976)	\$ 32,849	\$ 49,072	\$ 38,290	\$ 32,600	\$ 27,138	\$ 23,088	\$ 25,731	\$ 39,639	\$ 37,171

ALAMANCE COUNTY, NORTH CAROLINA

Fund Balances, Governmental Funds  
Last Ten Fiscal Years

Table 3

	Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011 <sup>a</sup>	2010	2009
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,634,322	\$ 9,381,210
Unreserved	-	-	-	-	-	-	-	-	15,942,207	18,142,118
Nonspendable	390,988	-	-	-	-	-	172,530	-	-	-
Restricted <sup>a</sup>	14,683,208	14,183,438	13,618,467	11,642,230	9,413,377	8,621,118	11,742,712	5,317,002	-	-
Committed <sup>b</sup>	1,114,195	7,467,331	1,488,962	535,212	480,619	322,619	202,619	-	-	-
Assigned	11,636,038	-	-	-	-	-	-	-	-	-
Unassigned	20,885,793	26,350,853	31,207,283	26,289,738	21,526,972	17,398,129	9,559,112	13,793,848	-	-
Total general fund	<u>48,710,222</u>	<u>48,001,622</u>	<u>46,314,712</u>	<u>38,467,180</u>	<u>31,420,968</u>	<u>26,341,866</u>	<u>21,676,973</u>	<u>19,110,850</u>	<u>23,576,529</u>	<u>27,523,328</u>
All Other Governmental Funds										
Reserved	-	-	-	-	-	-	-	-	68,965	99,216
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	508,679	131,241
Capital project funds	-	-	-	-	-	-	-	-	9,881,154	6,725,216
Restricted in Capital Project	1,061,626	1,110,811	1,339,423	1,314,958	895,489	1,046,434	2,045,675	6,669,885	-	-
Committed in Capital Project	4,013,967	3,972,137	902,568	2,378,780	2,866,187	3,116,917	2,972,320	3,123,354	-	-
Unassigned in Capital Project	-	-	(51,542)	(213,352)	(58,886)	(190,334)	(200,869)	(24,455)	-	-
Total all other government funds <sup>c</sup>	<u>5,075,593</u>	<u>5,082,948</u>	<u>2,190,449</u>	<u>3,480,386</u>	<u>3,702,790</u>	<u>3,973,017</u>	<u>4,817,126</u>	<u>9,768,784</u>	<u>10,458,798</u>	<u>6,955,673</u>
Total fund balances, governmental funds <sup>d</sup>	<u>\$ 53,785,815</u>	<u>\$ 53,084,570</u>	<u>\$ 48,505,161</u>	<u>\$ 41,947,566</u>	<u>\$ 35,123,758</u>	<u>\$ 30,314,883</u>	<u>\$ 26,494,099</u>	<u>\$ 28,879,634</u>	<u>\$ 34,035,327</u>	<u>\$ 34,479,001</u>

<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 increase includes proceeds to build a Mental Health Diversion Center.

<sup>d</sup> Increases are intended for future capital needs of the County.

<sup>e</sup> The County implemented GASB Statement No. 54 in fiscal year 2011.

ALAMANCE COUNTY, NORTH CAROLINA

Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years

Table 4

	Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Revenues</b>										
Property taxes	\$ 85,315,860	\$ 82,647,767	\$ 81,404,277	\$ 72,980,087	\$ 74,684,864	\$ 68,900,545	\$ 67,372,021	\$ 66,865,439	\$ 67,503,880	\$ 66,005,309
Sales taxes	29,828,338	28,159,495	27,608,429	25,080,073	22,203,551	20,665,419	20,226,309	18,720,105	16,657,521	22,775,557
Other taxes and licenses	1,856,364	1,662,790	1,511,829	1,345,902	1,178,223	1,019,568	948,664	900,150	951,964	919,807
Unrestricted intergovernmental	259,939	270,038	258,829	277,018	253,863	233,472	252,116	240,992	78,741	244,604
Restricted intergovernmental	20,246,011	26,757,106	27,384,337	26,432,568	25,744,940	25,749,474	29,080,408	24,775,193	26,900,059	25,749,397
Permits and fees	1,607,876	1,671,605	1,376,273	1,265,919	1,168,353	1,206,080	1,005,656	1,154,369	997,942	901,010
Sales and services	13,939,854	10,900,358	10,535,924	11,270,029	10,634,229	12,617,948	12,199,323	14,720,391	13,224,156	13,689,379
Contributions	1,200,000	-	-	-	-	-	-	-	-	-
Investment earnings	847,182	588,334	422,198	362,419	299,144	482,991	521,302	384,203	73,260	384,227
Miscellaneous	813,568	482,720	454,708	477,661	353,176	505,727	2,026,872	609,518	925,362	825,343
<b>Total revenues</b>	<b>155,914,992</b>	<b>153,140,213</b>	<b>150,956,804</b>	<b>139,491,676</b>	<b>136,520,343</b>	<b>131,381,224</b>	<b>133,632,671</b>	<b>128,370,360</b>	<b>127,312,885</b>	<b>131,494,633</b>
<b>Expenditures</b>										
Current										
General government	14,580,647	14,955,996	14,270,640	11,186,966	10,890,343	10,118,033	10,791,109	14,724,143	11,227,165	11,407,839
Public Safety	40,678,613	37,210,376	35,798,788	33,454,975	33,355,607	31,696,950	33,952,059	32,592,726	33,340,099	34,374,297
Transportation	478,516	464,448	382,450	395,263	266,588	(43,211)	402,868	425,755	407,971	397,369
Environmental protection	68,340	71,147	102,011	110,590	(64,814)	(414,878)	61,497	55,086	56,204	58,983
Economic and physical development	3,171,914	2,053,324	1,976,579	1,406,175	1,257,726	920,883	1,321,691	1,641,723	1,636,530	1,673,011
Human services	31,287,148	35,560,462	35,717,984	35,971,584	32,831,016	32,107,883	32,853,606	32,319,100	33,347,288	34,756,916
Cultural and recreational	5,275,078	4,324,318	4,562,065	3,632,600	4,257,876	3,387,904	3,899,960	4,476,382	3,933,773	4,049,983
Intergovernmental (education)	49,616,136	57,506,617	41,490,420	37,413,626	36,083,320	34,558,991	38,785,016	38,162,037	37,806,040	37,076,480
Expenditures before Capital Outlay and Debt Service	145,156,392	152,146,688	134,300,936	123,571,779	118,877,662	112,332,557	122,067,806	124,396,952	121,755,070	123,794,878
Capital outlay	3,916,014	3,886,430	1	1,941,103	1,677,769	4,803,036	3,424,791	7,605,633	5,410,607	8,097,505
Debt service:										
Principal	8,065,151	7,708,731	8,338,144	9,112,718	8,746,977	8,628,892	7,973,727	7,777,175	6,813,657	6,112,057
Interest and other charges	2,334,679	2,273,758	2,297,134	2,550,352	2,972,278	7,412,519	3,655,325	3,659,128	3,468,926	3,765,592
Issuance costs	-	77,796	6,597	3,653	-	329,582	1,798	127,978	22,964	-
<b>Total expenditures</b>	<b>159,472,236</b>	<b>166,093,403</b>	<b>144,942,812</b>	<b>137,179,605</b>	<b>132,274,686</b>	<b>133,506,586</b>	<b>137,123,447</b>	<b>143,566,866</b>	<b>137,471,224</b>	<b>141,770,032</b>
Revenues over (under) expenditures	(3,557,244)	(12,953,190)	6,013,992	2,312,071	4,245,657	(2,125,362)	(3,490,776)	(15,196,506)	(10,158,339)	(10,275,399)
Other financing sources (uses)	4,258,489	17,532,598	543,603	440,762	563,218	5,946,146	1,105,241	10,040,813	9,714,664	6,136,218
Special items	-	-	-	3,902,970	-	-	-	-	-	-
Increase (decrease) in fund balance	701,245	4,579,409	6,557,595	6,823,808	4,808,875	3,820,784	(2,385,535)	(5,155,693)	(443,674)	(4,139,181)
Beginning fund balance-as restated	53,084,570	48,505,161	41,947,566	35,123,758	30,314,883	26,494,099	28,879,634	34,035,327	34,479,001	38,618,182
Ending fund balance	<u>\$ 53,785,815</u>	<u>\$ 53,084,570</u>	<u>\$ 48,505,161</u>	<u>\$ 41,947,566</u>	<u>\$ 35,123,758</u>	<u>\$ 30,314,883</u>	<u>\$ 26,494,099</u>	<u>\$ 28,879,634</u>	<u>\$ 34,035,327</u>	<u>\$ 34,479,001</u>
Debt service expenditures / non-capital expenditures ratio										
Total Debt service expenditures	10,399,830	10,060,285	10,641,875	11,666,723	11,719,255	16,370,993	11,630,850	11,564,281	10,305,547	9,877,649
Divided by Expenditures excluding capital outlay	155,556,222	162,206,973	144,942,811	135,238,502	130,596,917	128,703,550	133,698,656	135,961,233	132,060,617	133,672,527
	6.69%	6.20%	7.34%	8.63%	8.97%	12.72%	8.70%	8.51%	7.80%	7.39%

ALAMANCE COUNTY, NORTH CAROLINA

Program Revenues by Function/Program  
Last Ten Fiscal Years

Table 5

Function/Program	Program Revenues									
	Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities:										
General government	\$ 2,458,780	\$ 2,529,896	\$ 2,096,761	\$ 5,631,312	\$ 1,328,880	\$ 1,598,325	\$ 1,417,480	\$ 1,618,964	\$ 1,031,103	\$ 916,305
Public safety	10,001,162	7,766,320	8,112,597	4,345,322	8,069,192	9,293,779	8,011,526	8,252,339	7,862,739	6,628,568
Transportation	-	-	-	-	-	-	-	-	-	-
Economic and physical development	30,086	32,283	818	818	-	-	-	-	-	-
Environmental protection	-	-	-	-	236,956	236,956	201,365	201,365	183,395	164,495
Human services	4,254,186	3,124,768	2,321,403	3,197,524	1,769,419	2,599,851	3,067,300	5,616,314	5,542,325	5,595,702
Cultural and recreational	93,412	83,837	281,442	281,442	632,596	632,596	532,636	532,636	545,080	542,612
Subtotal government activities	<u>16,837,626</u>	<u>13,537,104</u>	<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>
Business-type activities										
Landfill	4,349,317	4,475,466	4,122,341	4,186,567	4,258,692	3,712,573	3,598,966	3,542,594	3,531,411	3,286,645
Subtotal business-type activities	<u>4,349,317</u>	<u>4,475,466</u>	<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>
Total primary government	<u>\$ 21,186,943</u>	<u>\$ 18,012,570</u>	<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>

**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>
2018	\$ 85,315,860	\$ 29,828,338	\$ 903,641	\$ -	\$ 749,835	\$ 202,888	\$ 117,000,562
2017	82,647,767	28,159,495	869,628	-	697,066	96,096	112,470,052
2016	81,404,277	27,608,429	777,544	-	639,085	95,200	110,524,535
2015	77,747,812	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

<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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government	\$ 16,882,174	\$ 19,620,632	\$ 14,779,532	\$ 14,207,928	\$ 13,744,252	\$ 12,643,801	\$ 14,519,496	\$ 13,474,940	\$ 10,946,351	\$ 11,763,998
Public safety	44,785,445	41,567,111	39,033,971	36,135,453	36,975,701	35,211,427	35,159,335	35,566,586	33,616,740	34,194,067
Transportation	1,052,686	1,022,227	802,261	562,629	791,878	765,536	843,824	873,491	407,971	397,369
Environmental protection	642,510	628,926	684,094	1,605,380	1,815,147	393,867	1,791,574	502,822	56,204	58,983
Economic and physical development	3,764,031	2,643,119	2,903,127	277,956	460,476	1,758,248	502,453	2,116,442	1,296,911	1,697,341
Human services	32,364,054	36,696,574	34,768,061	36,704,216	33,934,657	33,431,752	33,790,288	33,228,854	33,614,557	34,698,043
Cultural and recreational	6,449,687	4,667,289	3,710,378	3,786,386	4,338,195	3,623,947	3,926,470	4,326,665	3,677,349	3,588,464
Education	49,903,221	57,785,506	41,598,497	37,497,309	36,345,965	34,963,364	42,430,285	45,991,536	38,763,325	40,786,993
Debt service:										
Interest and fees	2,247,710	3,174,829	2,297,134	2,550,352	2,972,278	6,477,519	3,655,325	3,659,128	3,415,131	3,611,084
Total governmental activities	<u>158,091,518</u>	<u>167,806,213</u>	<u>140,577,055</u>	<u>133,327,609</u>	<u>131,378,549</u>	<u>129,269,461</u>	<u>136,619,050</u>	<u>139,740,464</u>	<u>125,794,539</u>	<u>130,796,342</u>
Landfill	<u>4,118,915</u>	<u>3,962,316</u>	<u>3,677,384</u>	<u>3,288,476</u>	<u>3,751,292</u>	<u>2,542,292</u>	<u>3,419,406</u>	<u>3,399,423</u>	<u>3,494,302</u>	<u>2,933,060</u>
Total business-type activities	<u>4,118,915</u>	<u>3,962,316</u>	<u>3,677,384</u>	<u>3,288,476</u>	<u>3,751,292</u>	<u>2,542,292</u>	<u>3,419,406</u>	<u>3,399,423</u>	<u>3,494,302</u>	<u>2,933,060</u>
Total primary government	<u>\$ 162,210,433</u>	<u>\$ 171,768,529</u>	<u>\$ 144,254,439</u>	<u>\$ 136,616,085</u>	<u>\$ 135,129,841</u>	<u>\$ 131,811,753</u>	<u>\$ 140,038,456</u>	<u>\$ 143,139,887</u>	<u>\$ 129,288,841</u>	<u>\$ 133,729,402</u>

**ALAMANCE COUNTY, NORTH CAROLINA**

**Government-wide Revenues  
Last Ten Fiscal Years**

Table 8

Program Revenues	Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Charges for services	\$ 21,186,943	\$ 18,012,570	\$ 16,935,362	\$ 17,642,985	\$ 16,295,735	\$ 18,074,080	\$ 16,829,273	\$ 19,764,212	\$ 18,696,053	\$ 17,134,327
Operating grants and contributions	18,390,204	25,259,644	26,789,735	25,917,122	23,587,403	23,516,322	24,766,558	22,637,081	25,895,644	24,559,464
Capital grants and contributions	3,055,991	1,497,462	594,602	693,694	2,736,373	2,775,590	6,704,607	2,776,724	1,784,940	2,059,872
<b>General Revenues</b>										
Taxes										
Property tax	85,894,808	82,311,523	81,154,704	72,673,241	74,289,117	69,297,790	67,365,987	66,145,512	67,177,058	66,813,041
Local option sales tax	29,828,338	28,159,495	27,608,429	25,080,073	22,203,551	20,665,419	20,226,309	18,720,105	16,657,521	22,775,556
Other taxes and licenses	1,856,364	1,662,790	1,511,829	1,345,902	1,178,223	1,019,568	948,664	900,150	1,242,480	1,392,318
Unrestricted investment earnings	916,955	624,008	441,157	367,329	302,120	487,591	524,817	422,907	65,781	370,787
Miscellaneous	-	-	-	-	-	25,250	25,250	25,250	237,345	726,759
Special Items	-	-	-	2,374,090	-	-	-	-	-	-
Total	<u>\$ 161,129,603</u>	<u>\$ 157,527,492</u>	<u>\$ 155,035,818</u>	<u>\$ 146,094,436</u>	<u>\$ 140,592,522</u>	<u>\$ 135,861,610</u>	<u>\$ 137,391,465</u>	<u>\$ 131,391,941</u>	<u>\$ 131,756,822</u>	<u>\$ 135,832,124</u>

**ALAMANCE COUNTY, NORTH CAROLINA**

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

**Table 9**

Function	Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government	\$ 15,692,403	\$ 16,214,422	\$ 14,270,640	\$ 11,827,530	\$ 11,561,451	\$ 12,039,247	\$ 10,791,109	\$ 14,724,143	\$ 11,227,165	\$ 11,407,839
Public safety	43,060,724	39,414,370	35,798,788	34,114,950	33,523,384	32,177,254	33,952,059	32,592,726	33,340,099	34,374,297
Transportation	478,516	464,448	382,450	395,263	434,365	437,093	402,868	425,755	407,971	397,369
Environmental protection	68,340	71,147	102,011	110,590	102,963	65,426	61,497	55,086	56,204	58,983
Economic and physical development	3,195,802	2,148,930	1,976,579	1,406,175	1,425,503	1,401,187	1,321,691	1,641,723	1,636,530	1,673,011
Human services	31,395,230	35,667,727	35,717,984	36,165,694	32,998,793	32,588,187	32,853,606	32,319,100	33,347,288	34,756,916
Cultural and recreational	5,565,255	4,545,456	4,562,065	4,079,054	4,341,764	3,628,056	3,899,960	4,476,382	3,933,773	4,049,983
Education	49,616,136	57,506,617	41,490,420	37,413,626	36,167,208	34,799,143	42,209,807	45,767,670	38,763,325	37,076,480
Debt service:										
Principal retirement	8,065,151	7,708,731	8,338,144	9,112,718	8,746,977	8,628,892	7,973,727	7,777,175	6,813,657	6,112,057
Interest and fees	2,334,679	2,273,758	2,297,134	2,550,352	2,972,278	7,412,519	3,655,325	3,659,128	3,468,926	3,770,370
Issuance costs	-	77,796	6,597	3,653	-	329,582	1,798	127,978	22,964	-
<b>Total</b>	<b>\$ 159,472,236</b>	<b>\$ 166,093,402</b>	<b>\$ 144,942,812</b>	<b>\$ 137,179,605</b>	<b>\$ 132,274,686</b>	<b>\$ 133,506,586</b>	<b>\$ 137,123,447</b>	<b>\$ 143,566,866</b>	<b>\$ 133,017,902</b>	<b>\$ 133,677,305</b>

**ALAMANCE COUNTY, NORTH CAROLINA**

**General Government Revenues by Source  
Last Ten Fiscal Years**

**Table 10**

Source	Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Taxes:										
Property	\$ 85,315,860	\$ 82,647,767	\$ 81,404,277	\$ 72,980,087	\$ 74,684,864	\$ 68,900,545	\$ 67,372,021	\$ 66,865,439	\$ 67,503,880	\$ 66,005,309
Sales	29,828,338	28,159,495	27,608,429	25,080,073	22,203,551	20,665,419	20,226,309	18,720,105	16,657,521	22,775,557
Other Taxes & Licenses	1,856,364	1,662,790	1,511,829	1,345,902	1,178,223	1,019,568	948,664	900,150	951,964	919,807
Total taxes	117,000,562	112,470,052	110,524,535	99,406,062	98,066,638	90,585,532	88,546,994	86,485,694	85,113,365	89,700,673
Intergovernmental	20,505,950	27,027,144	27,643,166	26,709,586	25,998,803	25,982,946	29,332,524	25,016,185	26,978,800	25,994,001
Permits and fees	1,607,876	1,671,605	1,376,273	1,265,919	1,168,353	1,206,080	1,005,656	1,154,369	997,942	901,010
Sales and services	13,939,854	10,900,358	10,535,924	11,270,029	10,634,229	12,617,948	12,199,323	14,720,391	13,224,156	13,689,379
Contributions	1,200,000									
Investment earnings	847,182	588,334	422,198	362,419	299,144	482,991	521,302	384,203	73,260	384,227
Miscellaneous	813,568	482,720	454,708	477,661	353,176	505,727	2,026,872	609,518	925,362	825,343
<b>Total</b>	<b>\$ 155,914,992</b>	<b>\$ 153,140,213</b>	<b>\$ 150,956,804</b>	<b>\$ 139,491,676</b>	<b>\$ 136,520,343</b>	<b>\$ 131,381,224</b>	<b>\$ 133,632,671</b>	<b>\$ 128,370,360</b>	<b>\$ 127,312,885</b>	<b>\$ 131,494,633</b>

Revenues	155,914,992	153,140,213
Expenditures	159,472,236	166,093,402
	(3,557,244)	(12,953,189)
Other Financing Sources	4,258,489	17,532,598
Change in Fund Balances	701,245	4,579,409

**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					Total Taxable 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					
2018	\$ 10,766,824	\$ 2,716,640	\$ 325,164	\$ 58,706	\$ 13,749,921	\$ 14,248,623	96.5%	0.5800	
2017	10,626,260	2,566,916	315,569	76,681	13,432,064	13,477,889	99.7%	0.5800	
2016	10,039,630	2,742,524	281,563	54,006	13,009,711	12,868,161	101.1%	0.5800	
2015	10,176,788	2,363,810	276,227	30,767	12,786,058	12,016,971	106.4%	0.5300	
2014	10,106,947	2,597,277	264,477	46,234	12,922,467	12,054,540	107.2%	0.5400	
2013	10,046,849	2,176,338	305,820	56,781	12,472,226	11,586,981	107.6%	0.5200	
2012	9,993,751	1,997,173	254,990	68,119	12,177,795	11,276,780	108.0%	0.5200	
2011	9,945,448	1,946,452	260,006	43,910	12,107,996	11,747,352	103.1%	0.5200	
2010	10,650,203	2,019,524	267,795	722,808	12,214,714	12,191,335	100.2%	0.5200	
2009	8,627,921	2,073,735	237,552	163,973	10,775,235	10,809,885	99.7%	0.5800	

Source: Alamance County Tax Department

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



**ALAMANCE COUNTY, NORTH CAROLINA**

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

**Table 13**

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>County-wide Levies Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount Collected</b>	<b>Percentage of Levy</b>		<b>Amount Collected</b>	<b>Percentage of Levy</b>
2018	\$ 79,919,773	\$ 79,114,682	99.03%	\$ -	\$ 79,114,682	99.0%
2017	77,172,709	77,172,709	98.92%	-	77,172,709	100.0%
2016	75,147,601	74,553,132	98.77%	594,469	75,147,601	100.0%
2015	67,537,045	66,796,202	98.47%	740,843	67,537,045	100.0%
2014	68,259,956	68,259,956	101.42%	-	68,259,956	100.0%
2013	63,040,855	63,040,855	100.02%	-	63,040,855	100.0%
2012	62,007,230	61,580,609	99.31%	426,621	62,007,230	100.0%
2011	61,822,468	61,408,792	99.33%	413,676	61,822,468	100.0%
2010	63,081,835	61,863,460	98.07%	1,218,375	63,081,835	100.0%
2009	63,294,605	61,050,563	96.24%	2,244,042	63,294,605	100.0%

**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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>County Direct Rates</b>										
Alamance County	0.5800	0.5800	0.5800	0.5300	0.5400	0.5200	0.5200	0.5200	0.5200	0.5800
<b>City and Town Rates</b>										
Village 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>0.2000</u>	<u>0.2000</u>	<u>0.2200</u>	<u>0.2400</u>
Total Direct and Overlapping	0.7800	0.7800	0.7800	0.7300	0.7400	0.7200	0.7200	0.7200	0.7400	0.8200
City of Burlington	<u>0.5973</u>	<u>0.5800</u>	<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>
Total Direct and Overlapping	1.1773	1.1600	1.1600	1.1100	1.1200	1.1000	1.1000	1.1100	1.1100	1.2050
City of Burlington - Downtown	<u>0.1700</u>	<u>0.1600</u>								
Total Direct and Overlapping	0.7500	0.7400	0.7400	0.6900	0.7000	0.6800	0.6800	0.6800	0.6800	0.7400
City of Graham	<u>0.4550</u>	<u>0.4550</u>	<u>0.4450</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>
Total Direct and Overlapping	1.0350	1.0350	1.0250	0.9850	0.9800	0.9600	0.9600	0.9650	0.9650	1.0600
Town of Elon	<u>0.4500</u>	<u>0.4200</u>	<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>
Total Direct and Overlapping	1.0300	1.0000	1.0000	0.9500	0.9600	0.8900	0.8900	0.8900	0.8900	0.9500
Town of Gibsonville	<u>0.5300</u>	<u>0.5100</u>	<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>
Total Direct and Overlapping	1.1100	1.0900	1.0900	1.0400	1.0500	1.0350	1.0350	1.0300	1.0300	1.0950
Town of Green Level	<u>0.3600</u>	<u>0.3600</u>	<u>0.3600</u>	<u>0.3400</u>						
Total Direct and Overlapping	0.9400	0.9400	0.9400	0.8700	0.8800	0.8600	0.8600	0.8600	0.8600	0.9200
Town of Haw River	<u>0.4800</u>	<u>0.4800</u>	<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>
Total Direct and Overlapping	1.0600	1.0600	1.0600	1.0100	1.0200	0.9700	0.9700	0.9700	0.9700	1.0600
Town of Mebane	<u>0.4700</u>	<u>0.4900</u>	<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>
Total Direct and Overlapping	1.0500	1.0700	1.0700	1.0200	1.0100	0.9900	0.9900	0.9900	0.9900	1.0800
Town of Ossipee	<u>0.0725</u>	<u>0.0725</u>	<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>
Total Direct and Overlapping	0.6525	0.6525	0.6525	0.6025	0.6125	0.5950	0.5950	0.5950	0.5950	0.6550

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Fire District Rates</b>										
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>0.0900</u>	<u>0.0900</u>	<u>0.1000</u>
Total Direct and Overlapping	0.6700	0.6700	0.6700	0.6200	0.6300	0.6100	0.6100	0.6100	0.6100	0.6800
Altamahaw-Ossipee	<u>0.1400</u>	<u>0.1175</u>	<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>
Total Direct and Overlapping	0.7200	0.6975	0.6975	0.6475	0.6475	0.6275	0.6275	0.6225	0.6225	0.6800
E.M. Holt	<u>0.1175</u>	<u>0.1175</u>	<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>
Total Direct and Overlapping	0.6975	0.6975	0.6875	0.6375	0.6475	0.6175	0.6175	0.6000	0.6000	0.6600
East Alamance	<u>0.1050</u>	<u>0.1050</u>	<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>
Total Direct and Overlapping	0.6850	0.6850	0.6850	0.6350	0.6250	0.6050	0.6050	0.6050	0.6050	0.6650
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	0.6600	0.6600	0.6100	0.6200	0.6000	0.6000	0.6000	0.6000	0.6600
Elon	<u>0.1100</u>	<u>0.1100</u>	<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>
Total Direct and Overlapping	0.6900	0.6900	0.6900	0.6400	0.6500	0.6250	0.6250	0.6250	0.6250	0.6850
Faucette	<u>0.1100</u>	<u>0.1100</u>	<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>
Total Direct and Overlapping	0.6900	0.6900	0.6725	0.6225	0.6325	0.6075	0.6075	0.6075	0.6075	0.6675
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>0.1350</u>	<u>0.1350</u>	<u>0.1050</u>	<u>0.1050</u>
Total Direct and Overlapping	0.7150	0.7150	0.7150	0.6650	0.6750	0.6550	0.6550	0.6550	0.6250	0.6850
North Central Alamance	<u>0.1150</u>	<u>0.1150</u>	<u>0.1050</u>							
Total Direct and Overlapping	0.6950	0.6950	0.6850	0.6350	0.6450	0.6250	0.6250	0.6250	0.6250	0.6850
North Eastern Alamance	<u>0.1000</u>	<u>0.1000</u>	<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>
Total Direct and Overlapping	0.6800	0.6800	0.6600	0.6100	0.6200	0.5900	0.5900	0.5900	0.5900	0.6500
Snow Camp	<u>0.0950</u>	<u>0.0950</u>	<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>
Total Direct and Overlapping	0.6750	0.6750	0.6750	0.6250	0.6350	0.6050	0.6050	0.6050	0.6050	1.4300
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>0.0900</u>	<u>0.0900</u>	<u>0.1000</u>
Total Direct and Overlapping	0.6700	0.6700	0.6700	0.6200	0.6300	0.6100	0.6100	0.6100	0.6100	0.6800

Source: Alamance County Tax Department

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

ALAMANCE COUNTY, NORTH CAROLINA

Ratio of Outstanding Debt by Type  
Last Ten Fiscal Years

Table 15

Fiscal Year Ended June 30	General Fund Activities					Business-Type Activities				
	General Obligation Bonded Debt	Revolving and Installment Loan Debt	Capital Leases	Percentage of Actual Property Value <sup>a</sup> Per Capita <sup>b</sup>		Landfill Bonds	Total <sup>c</sup>	Percentage of Personal Income Per Capita <sup>b</sup>		
2018	\$ 47,932,174	\$ 9,946,932	\$ 2,336,724	0.44%	\$ 368.66	\$ -	60,215,830	0.94%	368.66	
2017	53,426,960	9,422,066	1,688,251	0.48%	399.70	-	64,537,277	1.05%	399.70	
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	

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General bonded debt outstanding										
General obligation bonds	\$ 47,932,174	\$ 53,426,960	\$ 42,320,707	\$ 47,017,077	\$ 52,238,447	\$ 56,869,567	\$ 56,673,504	\$ 60,988,754	\$ 68,995,004	\$ 69,110,000
Percentage of estimated actual property value <sup>a</sup>	0.35%	0.40%	0.33%	0.37%	0.40%	0.46%	0.46%	0.50%	0.53%	0.64%
Per capita <sup>b</sup>	293.45	330.89	268.67	301.80	340.00	371.63	371.55	401.92	437.89	473.37
Total net debt applicable to debt limit	47,932,174	53,426,960	42,320,707	47,017,077	52,238,447	56,869,567	82,413,079	87,954,933	86,765,327	83,298,221
Legal debt limit <sup>c</sup>	<u>1,099,993,710</u>	<u>1,074,565,159</u>	<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>
Legal debt margin <sup>d</sup>	<u>\$ 1,052,061,536</u>	<u>\$ 1,021,138,199</u>	<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>
Legal debt margin as a percentage of the debt limit	95.64%	95.03%	95.93%	95.40%	94.95%	94.30%	91.55%	90.92%	91.12%	90.34%

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, 2018

Table 17

<b>Government Unit:</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Amount Applicable to County</b>
City of Burlington	4,339,000	100.00%	\$ 4,339,000
City of Mebane	-	83.00%	-
Subtotal overlapping debt			4,339,000
Alamance County direct debt			60,215,830
Total direct and overlapping debt			<u>\$ 64,554,830</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>
2018	163,339	6,420,529,412	\$ 39,308	39.7	22,628	4.2%
2017	161,463	6,154,969,560	38,120	39.7	22,571	4.4%
2016	157,522	5,641,020,342	35,811	39.4	22,600	4.4%
2015	155,788	5,412,075,120	34,740	39.4	22,724	5.7%
2014	153,642	5,198,169,786	33,833	39.3	22,611	6.3%
2013	153,029	5,220,278,277	34,113	39.15	21,977	9.5%
2012	152,531	5,195,663,453	34,063	38.7	22,434	10.0%
2011	151,745	4,625,187,600	30,480	37.8	22,411	10.9%
2010	148,338	4,722,043,554	31,833	37.6	22,384	11.1%
2009	145,995	4,493,580,105	30,779	37.6	22,518	12.4%

**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

Employer	Fiscal Year Ended June 30														
	2018			2017			2016			2015			2014		
	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	3,500	1	2.14%	3,500	1	2.17%	3,329	1	2.11%	3,329	1	2.18%	3,329	1	2.18%
Laboratory Corp. of America	3,000	2	1.84%	3,000	2	1.86%	2,500	2	1.59%	2,500	2	1.64%	2,500	2	1.64%
Cone Health Alamance Regional	2,000	3	1.22%	2,000	3	1.24%	2,240	3	1.42%	2,240	3	1.47%	2,240	3	1.47%
Elon University	1,500	4	0.92%	1,500	4	0.93%	1,403	4	0.89%	1,403	4	0.92%	1,403	4	0.92%
Wal-Mart	1,200	5	0.73%	1,200	5	0.74%	1,000	5	0.63%	1,000	5	0.66%	1,000	5	0.66%
City of Burlington	1,100	6	0.67%	1,100	6	0.68%	806	7	0.51%	806	7	0.53%	806	7	0.53%
Alamance County Government	950	7	0.58%	950	7	0.59%	956	6	0.61%	956	6	0.63%	956	6	0.63%
Honda Power Equipment	850	8	0.52%	850	8	0.53%	750	9	0.48%	600	10	0.39%	600	10	0.39%
GKN Driveline North America	800	9	0.49%	800	9	0.50%	800	8	0.51%	800	8	0.52%	800	8	0.52%
Alamance Community College	650	10	0.40%	650	10	0.40%	652	10	0.41%	652	9	0.43%	652	9	0.43%
	<u>15,550</u>		<u>9.52%</u>	<u>15,550</u>		<u>9.63%</u>	<u>14,436</u>		<u>9.16%</u>	<u>14,286</u>		<u>9.17%</u>	<u>14,286</u>		<u>9.30%</u>
Employer	2013			2012			2011			2010			2009		
	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
	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	1	2.13%	3,260	1	2.14%	3,260	2	2.15%	3,260	2	2.20%	3,260	1	2.28%
Laboratory Corp. of America	3,200	2	2.09%	3,200	2	2.10%	3,300	1	2.17%	3,300	1	2.22%	3,230	2	2.26%
Cone Health Alamance Regional	2,057	3	1.34%	2,057	3	1.35%	2,300	3	1.52%	2,300	3	1.55%	2,030	3	1.42%
Elon University	1,290	4	0.84%	1,290	4	0.85%	1,290	4	0.85%	1,290	4	0.87%	1,250	4	0.87%
Wal-Mart	1,000	6	0.65%	1,000	6	0.66%	1,100	5	0.72%	1,100	5	0.74%	1,100	6	0.77%
City of Burlington	875	7	0.57%	875	7	0.57%	875	7	0.58%	875	7	0.59%	875	7	0.61%
Alamance County Government	1,100	5	0.72%	1,100	5	0.72%	1,100	5	0.72%	1,100	5	0.74%	1,140	5	0.80%
Honda Power Equipment	600	9	0.39%	675	8	0.44%	510	9	0.34%	510	9	0.34%	575	9	0.40%
GKN Automotive	500	10	0.33%	500	10	0.33%	500	10	0.33%	500	10	0.34%	500	10	0.35%
Alamance Community College	664	8	0.43%	664	9	0.44%	600	8	0.40%	600	8	0.40%	600	8	0.42%
	<u>14,546</u>		<u>9.51%</u>	<u>14,621</u>		<u>9.59%</u>	<u>14,835</u>		<u>9.78%</u>	<u>14,835</u>		<u>10.00%</u>	<u>14,560</u>		<u>9.97%</u>

Source:  
Alamance County Chamber of Commerce

ALAMANCE COUNTY, NORTH CAROLINA

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

Table 20

Function/Program	Fiscal Year Ended June 30									
	2018 <sup>a</sup>	2017 <sup>a</sup>	2016 <sup>a</sup>	2015 <sup>a</sup>	2014 <sup>a</sup>	2013 <sup>a</sup>	2012 <sup>a</sup>	2011	2010	2009
<b>General Government</b>										
County Commissioners	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Administration	3.00	3.00	3.00	2.50	2.50	3.00	3.00	3.00	3.00	3.00
Planning	2.00	2.00	2.00	2.00	2.00	2.00	2.50	2.50	2.50	2.50
Human Resources	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Finance	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Legal	3.00	3.00	3.00	3.00	3.00	3.00	5.00	5.00	5.00	5.00
Register of Deeds	10.50	10.50	10.50	10.50	10.50	10.50	10.50	11.50	11.50	11.50
Revaluation	0.33	1.33	1.50	0.00	0.00	0.00	0.00	0.00	5.00	5.00
MIS	20.00	20.00	20.00	18.00	18.00	18.00	19.00	19.00	20.00	20.00
Printing Services	1.00	1.00	1.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75
Purchasing	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Tax Administration	29.00	28.00	28.00	27.00	27.00	27.00	30.50	30.50	26.00	26.00
GIS/Mapping	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Maintenance	12.00	12.00	12.00	12.00	12.00	12.00	14.00	14.00	13.50	13.50
Elections	17.00	17.00	17.00	17.75	18.00	19.68	27.00	4.50	4.50	4.50
<b>Culture &amp; Recreation</b>										
Library	44.48	43.32	46.88	43.98	42.10	43.56	42.47	43.85	45.51	44.51
Recreation	36.50	35.50	22.92	23.08	25.72	27.22	34.50	16.00	16.00	15.00
<b>Economic &amp; Physical Development</b>										
Cooperative Extension	5.00	4.00	4.75	4.75	4.50	3.97	8.00	8.00	8.00	8.00
Soil Conservation	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
<b>Public Safety</b>										
Judicial Services			0.00	0.00	0.00	0.00	7.00	7.00	7.00	7.00
Sheriff's Office	148.75	139.28	137.62	134.77	133.14	137.55	140.00	129.00	130.00	130.00
School Resource Officers	8.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Jail	127.25	126.99	128.56	126.90	126.90	134.83	133.50	132.00	135.50	135.50
Emergency Management <sup>b</sup>	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fire Marshal	4.50	4.00	4.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00
SARA Management	2.00	2.00	2.00	2.00	2.00	1.50	1.50	1.50	1.50	1.50
Inspections	10.50	9.66	10.00	10.00	10.00	12.00	13.50	11.00	12.50	12.50
Emergency Medical Service	106.00	89.50	100.32	103.68	98.35	98.02	102.50	84.50	84.50	84.50
Central Communications	38.00	33.00	37.65	37.95	34.93	33.61	35.00	28.00	29.00	29.00
<b>Human Services</b>										
Health	84.00	86.50	85.00	84.63	85.33	87.83	88.38	89.00	90.50	90.50
WIC Program	16.00	16.00	16.00	17.00	16.80	16.80	15.00	15.25	11.00	11.00
Dental	11.50	12.00	12.00	12.00	12.00	11.50	11.30	10.80	10.75	10.00
Social Services	227.00	223.60	226.58	197.72	195.63	201.62	193.70	188.50	186.00	186.00
Social Services-Elder Justice	2.00									
Social Services-Family Justice Center	3.00									
Social Services-Family Assessment	0.00	0.00	0.00	0.00	0.00	2.00	2.00	2.00	3.00	3.00
Social Services-SAMHSA	0.00	0.00	0.00	3.48	3.00	2.48	2.50	2.50	2.00	2.00
Veteran's Services	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Landfill	21.00	20.50	18.50	19.00	18.00	19.00	18.00	17.50	17.50	17.50
<b>Total</b>	<b>1023.31</b>	<b>979.68</b>	<b>986.78</b>	<b>954.69</b>	<b>942.15</b>	<b>968.42</b>	<b>1000.10</b>	<b>916.15</b>	<b>922.01</b>	<b>919.26</b>

Source: Alamance County Payroll Department.

Notes:

<sup>a</sup>As budgeted.

<sup>b</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**

<u>Function/Program</u>	<u>Fiscal Year Ended June 30</u>									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Fire protection:										
Number of stations	22	22	22	22	21	20	20	20	20	20
Number of fire personnel and officers	483	450	466	447	425	430	450	460	450	440
Number of calls answered	11,929	11,383	10,479	9,736	10,094	10,048	8,899	8,736	8,280	8,256
Number of inspections conducted	956	1,593	972	1,303	1,488	1,443	1,178	1,512	943	1,175
Sheriff protection:										
Number of Sheriff personnel and officers	284	274	268	278	267	283.4	271.5	268	272.5	272.5
Number of sworn officers	140	135	121	121	125	123	126	126	123	122
Number of law violations:										
Major offenses	774	841	963	958	1,594	1,639	1,155	1,565	2,599	2,256
Civil papers served	9,378	9,071	8,750	8,748	8,933	9,242	9,897	10,528	10,625	10,557
Traffic violations	1,339	1,749	1,512	1,233	1,726	1,831	1,283	1,381	1,424	1,021
Inspections:										
Building Permits-Residential <sup>a</sup>		588	405	342	308	290	196	215	247	219
Building Permits-Non-Residential <sup>a</sup>		23	12	15	10	18	8	11	8	9

**Source:** Various County Departments

**Note:**

<sup>a</sup> Building permits are accounted for the calendar year. Calendar 2017 information is not available.

ALAMANCE COUNTY, NORTH CAROLINA

Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years

Table 22

Function/Program	Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Sheriff protection										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol cars	132	132	127	114	114	109	114	114	102	102
Parks and recreation										
Acreage	1,164	800	798	657	628	454	454	469	470	468
Acreage-Leased*	258	258	258	258	258	258	412	410	406	219
Baseball/Softball diamonds	-	-	-	-	-	1	1	1	1	1
Baseball/Softball diamonds-leased*	7	9	9	9	9	8	8	7	9	9
Library										
Branches	5	5	5	5	5	5	5	5	5	5
Emergency Medical Services										
Number of stations	4	4	4	3	3	3	3	3	3	3
Number of ambulances	16	16	13	13	13	13	13	13	15	15
Number of medic trucks	7	7	7	7	7	6	6	6	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, 2018, and the related notes to the financial statements, which collectively comprise Alamance County's basic financial statements, and have issued our report thereon dated February 25, 2019. Our report includes a reference to other auditors who audited the financial statements of the Alamance County Transportation Authority, as described in our report on Alamance County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Alamance County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, Responses, and Questioned Costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. We consider the deficiency described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2018-002 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2018-001 to be a significant deficiency.

### **Compliance and Other Matters**

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

### **Alamance County's Responses to Findings**

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

### **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  
February 25, 2019

# 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, 2018. 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 federal and state statutes, regulations, and the terms and conditions of its federal awards 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, 2018.

### **Other Matters**

The results of our auditing procedures disclosed an instance of non-compliance, which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying Schedule of Findings, Responses, and Questioned Costs as Finding 2018-004. Our opinion on each major federal program is not modified with respect to this matter.

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

### **Report On Internal Control Over Compliance**

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

*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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as Findings 2018-003, 2018-004, and 2018-005 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  
February 25, 2019

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, 2018. 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 state statutes, regulations, and the terms and conditions of its state awards, contracts, and 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, 2018.

### **Other Matters**

The results of our auditing procedures disclosed an instance of non-compliance, which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying Schedule of Findings, Responses, and Questioned Costs as Finding 2018-004. Our opinion on each major state program is not modified with respect to this matter.

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

### **Report On Internal Control Over Compliance**

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

*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 or and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2018-003 and 2018-004 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  
February 25, 2019

Alamance County, North Carolina  
Financial Statements and Schedules

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**ALAMANCE COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**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  No
- Significant deficiencies identified?  Yes  None reported

Non-compliance material to financial statements noted?

Yes  No

**Federal Awards**

Internal control over major federal programs:

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

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

Unmodified

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

Yes  No

Identification of major federal programs:

Federal Program/Cluster Name	CFDA #
Medicaid Cluster	93.778
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP) Cluster	10.561
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557
Temporary Assistance for Needy Families (TANF) Cluster	93.558
Foster Care Title IV-E	93.658
Adoption Assistance	93.659
Low Income Home Energy Assistance Program	93.568
Childcare Development Fund Cluster/Subsidized Childcare Cluster	93.596, 93.575, 93.558

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

\$750,000

Auditee qualified as low-risk auditee?

Yes  No



# ALAMANCE COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2018

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### Section II – Financial Statement Findings

---

#### **Finding: 2018-001 – Deficit Fund Equity**

##### **SIGNIFICANT DEFICIENCY**

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

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

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

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

**Identification of a Repeat Finding:** This is a repeat finding from the immediate previous audit, 2017-001.

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

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

#### **Finding: 2018-002**

##### **MATERIAL WEAKNESS**

**Criteria:** Management should have a system in place to reduce the likelihood of errors in financial reporting and to safeguard assets.

**Condition:** Controls over bank reconciliations have been designed but not properly implemented. Bank reconciliations were being completed but were not reviewed timely. During our observation and walkthrough of internal controls, we noted the above condition.

**Effect:** Lack of proper implementation of internal control policies greatly increases the risk of an error or irregularity going undetected and can result in improper financial reporting.

**Cause:** Lack of proper implementation of controls over bank reconciliation review.

**Recommendation:** The County should evaluate the allocation of internal resources dedicated to account reconciliation to ensure adequate resources are available to ensure timely reconciliation of account information.

**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, 2018

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

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#### **US Department of Health and Human Services**

Passed through the N.C. Dept. of Health and Human Services

Program Name: Child Care Development Fund Cluster/ Subsidized Childcare Cluster

CFDA # 93.596, 93.575

Grant Number: G1701NCCDF, 13801810TB01

#### **Finding: 2018-003**

#### **MATERIAL WEAKNESS**

**Criteria:** In accordance with 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure casefiles are complete for determining eligibility including signed applications, timely redeterminations, generated action notices, and residency/citizenship verification. Management should ensure that such documentation is retained in the applicants' case file.

**Condition:** The County Department of Social Services failed to obtain required documentation for two applicants. Upon further review, both applicants were ultimately eligible.

**Context:** Of the 1,737 casefiles, we examined 60 and determined that (3%) two applicants lacked information for eligibility determination or timely redetermination. One applicant was missing a redetermination form. One applicant was missing an action notice - the action notice was not generated by NC Fast, and the manual notice was not in the casefile. Upon further review and recalculation, both applicants were deemed eligible.

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

**Cause:** The caseworker misplaced the required documentation.

**Questioned Costs:** None. The finding represents an internal control issue; therefore, no questioned costs are applicable. The County was able to substantiate that the applicants were eligible to receive benefits.

**Recommendation:** Caseworkers should review their eligibility determinations and ensure all required documentation is retained.

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

# ALAMANCE COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2018

---

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

---

#### **US Department of Health and Human Services**

Passed through the N.C. Dept. of Health and Human Services

Program Name: Child Care Development Fund Cluster/ Subsidized Childcare Cluster

CFDA # 93.596, 93.575

Grant Number: G1701NCCDF, 13801810TB01

#### **NON-MATERIAL NON-COMPLIANCE**

#### **MATERIAL WEAKNESS**

#### **Finding: 2018-004**

**Criteria:** In accordance with 45 CFR 98, documentation must be obtained, as needed, to determine if a recipient meets specific eligibility standards, and documentation must be maintained to support those determinations. In accordance with 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure that casefiles include properly reviewed parent fee calculations.

**Condition:** Two applicants were assessed the wrong parent fee during the benefit period.

**Context:** Of the 1,737 casefiles, we examined 60 and determined that two (3%) of the participants, of the same household, paid the wrong parent fee based on income, budget, and services provided.

**Effect:** Parent fees not being properly charged or applied could cause the County to expend funds over the eligible amount.

**Cause:** The caseworker did not update additional unearned income in NC Fast.

**Questioned Costs:** In accordance with 2 CFR 200, auditors are required to report known questioned costs when likely questioned costs are greater than \$25,000. Even though the sample results only identified \$21 (federal share \$17 and state share \$4) in questioned costs, if tests were extended to the entire population, questioned costs could exceed \$25,000.

**Recommendation:** Caseworkers should ensure that income is properly recorded and parent fees are properly applied.

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

# ALAMANCE COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2018

---

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

---

#### **US Department of Health and Human Services**

Passed through the N.C. Dept. of Health and Human Services

Program Name: Temporary Assistance for Needy Families (TANF)

CFDA # 93.558

Grant Number: 1701NCTANF

#### **Finding: 2018-005**

#### **MATERIAL WEAKNESS**

**Criteria:** In accordance with 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure an applicant is not approved as eligible unless income and resources have been verified and the required forms are retained in the casefile.

**Condition:** Upon inspection of casefiles, one applicant (3%) was missing a MRA agreement, the income and resources verification, and the substance use screening form. The case was terminated due to an employment services sanction.

**Context:** Of the 453 casefiles, we examined 40 and determined that one applicant (3%) was missing the required documentation as noted in the condition above.

**Effect:** Case files were missing required documentation, which could allow benefits to be provided to individuals who are not eligible.

**Cause:** The caseworker failed to obtain the required documentation.

**Questioned Costs:** None. The finding represents an internal control issue; therefore, no questioned costs are applicable. The County was able to substantiate that the applicants were eligible to receive benefits.

**Recommendation:** Caseworkers should obtain all required documents for determining eligibility and retain such documentation in the applicant's casefile.

**Views of Responsible Officials and Planned Corrective Actions:** Management accepts this finding. Human error is a factor contributing to 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, 2018

---

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

---

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

Program Name: Subsidized Child Care Cluster

**Finding: 2018-003** – In accordance with 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure casefiles are complete for determining eligibility including signed applications, timely redeterminations, generated action notices, and residency/citizenship verification. Management should ensure that such documentation is retained in the applicants' case file. See more details at Finding 2018-003 in Section III – Federal Award Findings, Responses, and Questioned Costs.

**Finding: 2018-004** – In accordance with 45 CFR 98, documentation must be obtained as needed to determine if a recipient meets specific eligibility standards, and documentation must be maintained to support those determinations. In accordance with 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure that casefiles include properly reviewed parent fee calculations.

# Alamance County

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

Susan Evans  
Finance Officer

## CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2018

---

### Section II – Financial Statement Findings

---

**Finding:** 2018-001

**Name of Contact Person:** Susan Evans, Finance Officer

**Corrective Action/Management's Response:** Management concurs with the conditions, 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.

The County has increased both the employer and employee contributions for health insurance. Employer premiums increased from \$475 in FY 2016 to \$565 per employee per month in FY 2017. Employee paid premiums also increased based on coverage. Employee/Spouse increased from \$327.60 to \$402.60, Employee/Children from \$262.50 to \$337.50, and Employee/Family from \$568.05 to \$643.05.

Employer premiums for FY 2018 were increased from \$565 to \$635 per employee per month, with employee paid premiums increasing also. Employee/Spouse increased from \$406.60 to \$464.58, Employee/Children from \$337.50 to \$388.13, and Employee/Family from \$643.05 to \$739.51.

We have worked with our insurance broker, The Pierce Group, to develop a plan for employees to take a more active and preventive role in their health care and cost. This plan took effect on July 1, 2018. Employees must achieve three criteria to be considered compliant. An employee must complete an on-line health assessment, a biometric screening and obtain an annual physical. With these criteria in place, hopefully early detection will defray the cost of shock claims. If an employee is not compliant, they will pay \$50 a month for health coverage. Employer premiums were increased from \$635 to \$702 per employee per month in FY 2019.

The County will continue to monitor this fund and make changes as adopted in the Self-Insurance Fund plan.

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

# Alamance County

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Susan Evans  
Finance Officer

## CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2018

---

### Section II – Financial Statement Findings (continued)

---

**Finding:** 2018-002

**Name of Contact Person:** Susan Evans, Finance Officer

**Corrective Action/Management's Response:** Management concurs with the conditions, context and recommendations. Bank reconciliations will be reviewed in a more timely manner.

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

# Alamance County

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

Susan Evans  
Finance Officer

## CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2018

---

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

---

**Finding: 2018-003**

**Name of Contact Person:** Adrian Daye, DSS Director

**Corrective Action/Management's Response:** Management accepts the condition, context, and recommendations. Child Care unit Social Workers will receive refresher trainings regarding recertification scanning, managing work queues, and general scanning procedures in an effort to further reduce/avoid missing documentation that is a result of human error. The Unit Supervisor will continue to perform second party reviews on cases, and results will be compiled and provided to Management for review.

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

**Finding: 2018-004**

**Name of Contact Person:** Adrian Daye, DSS Director

**Corrective Action/Management's Response:** Management accepts the condition, context, and recommendations. This finding was a keying error which occurred during conversion into NCFAST. Please note that a mass conversion happened as the program transitioned into NCFAST. Child Care Social Workers were tasked with converting all records into NCFAST over the course of 2 months in addition to maintaining their caseload responsibilities as they learned to navigate a new system. While the Agency will always strive for perfection, human error does occur. As part of their unit meetings, the Child Care unit Social Workers will review any new policy updates, they will reference their provided second party checklists as needed for entering cases into NCFAST, and they will utilize NCFAST job aids as needed. The Unit Supervisor will perform second party reviews and results will be compiled and provided to Management for review.

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

# Alamance County

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

Susan Evans  
Finance Officer

## CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2018

---

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

---

**Finding:** 2018-005

**Name of Contact Person:** Adrian Daye, DSS Director

**Corrective Action/Management's Response:** Management accepts the condition, context, and recommendations. Caseworkers will receive refresher trainings regarding general scanning procedures, the required forms, as well as a checklist of items that are to be documented within the electronic record in an effort to further reduce/avoid missing documentation that can be a result of human error. Second party review requirements for this area have already been increased to target this type of application, and results will be compiled and provided to Management for review.

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

# Alamance County

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

Susan Evans  
Finance Officer

## CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2018

---

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

---

**Finding: 2018-003**

See Finding 2018-003 in Section III – Federal Award Findings and Questioned Costs of the Corrective Action Plan.

**Finding: 2018-004**

See Finding 2018-004 in Section III – Federal Award Findings and Questioned Costs of the Corrective Action Plan.

**ALAMANCE COUNTY, NORTH CAROLINA**  
**SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

- Finding:**                    **2017-001**  
**Status:** This is a repeat finding in current year as Finding 2018-001.
- Finding:**                    **2017-002**  
**Status:** Corrected.
- Finding:**                    **2017-003**  
**Status:** Corrected.
- Finding:**                    **2017-004**  
**Status:** Corrected.
- Finding:**                    **2017-005**  
**Status:** Corrected.
- Finding:**                    **2017-006**  
**Status:** Corrected.

Alamance County, North Carolina  
Financial Statements and Schedules

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## ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018

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:					
<u>Supplemental Nutrition Assistance Program (SNAP) Cluster:</u>					
Administration:					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Admin	10.561	175NC406S2514	\$ 1,227,114	\$ -	\$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Fraud Admin	10.561	175NC406S2514	32,809	-	-
Total Supplemental Nutrition Assistance Program Cluster			1,259,923	-	-
Passed-Through N.C. Department of Health and Human Services:					
Division of Public Health:					
Special Supplemental Nutrition Program for Women, Infants, and Children: Administration (WIC)	10.557	403 13A2 5403	762,246	-	-
Total U.S. Department of Agriculture			2,022,169	-	-
<b><u>U.S. Department of Justice</u></b>					
<b><u>Bureau of Justice Assistance</u></b>					
Direct Program:					
Criminal And Juvenile Justice and Mental Health Collaboration Program	16.745		123,097	-	-
Direct Program:					
Violence Against Women Office:					
Enhanced Training and Services to End Violence and Abuse of Women Later in Life	16.528		130,134	-	-
Passed-Through N.C. Department of Public Safety, Governor's Crime Commission:					
Office for Victims of Crime:					
Crime Victim Assistance	16.575	PROJ011904	377,506	-	-
Total U.S. Department of Justice			630,737	-	-
<b><u>U.S. Department of Homeland Security</u></b>					
<b><u>Federal Emergency Management Agency</u></b>					
Passed-Through N.C. Department of Public Safety:					
Homeland Security Grant Program	97.067	EMW-2017-SS-0085	20,500	-	-
Homeland Security Grant Program	97.067	EMW-2017-SS-0085	7,450	-	-
Emergency Management Performance Grants	97.042	EMPG-2015-37001	53,017	-	-
Total U.S. Department of Homeland Security			80,967	-	-
<b><u>U.S. Department of Housing and Urban Development</u></b>					
Office of Community Planning and Development:					
Passed-Through N.C. Department of Commerce					
Community Development Block/Entitlement Grants Cluster:					
Community Development Block Grant/ Entitlement Grants	14.218	B16MC370002	9,983	-	-
Total Community Development Block/Entitlement Grants Cluster			9,983	-	-
<b><u>U. S. Department of Transportation</u></b>					
<b><u>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	10,000	-	-
Total U.S. Department of Transportation			10,000	-	-
<b><u>U. S. Department of Health and Human Services</u></b>					
<b><u>Food and Drug Administration</u></b>					
Passed-Through N.C. Department of Health and Human Services:					
Food and Drug Administration Research					
	93.103	G-T-1611-03684; G-T-1611- 03662; G-T-1611-03683	26,000	-	-
Total Food and Drug Administration			26,000	-	-
<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 - Adult Day Care	93.667	G1701NCSOSR	36,389	18,314	-
Social Services Block Grant - Adult Day Care Over 60	93.667	G1701NCSOSR	14,918	6,515	-
Social Services Block Grant - Adult Protective Service	93.667	G1701NCSOSR	8,890	-	-
Social Services Block Grant - In-Home Services	93.667	G1701NCSOSR	29,827	-	-
Social Services Block Grant - In-Home Services Over 60	93.667	G1701NCSOSR	33,039	-	-

## ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018

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
Social Services Block Grant - S S B G Other Services & Training	93.667	G1701NCSOSR	407,903	-	-
Child Support Enforcement - IV-D Administration	93.563	1704NC4005	1,240,163	-	-
Child Support Enforcement - IV-D Offset Fees - Esc	93.563	1704NC4005	90	-	-
Child Support Enforcement - IV-D Offset Fees - Federal	93.563	1704NC4005	6,827	-	-
Refugee and Entrant Assistance State/Replacement Designee Administered Program	93.566	1701NCRDMA	1,559	-	-
Low-Income Home Energy Assistance - Crisis Intervention Payments	93.568	G17B1NCLIEA	587,156	-	-
Low-Income Home Energy Assistance - Admin	93.568	G17B1NCLIEA	96,781	-	-
Low Income Home Energy Assistance	93.568	G17B1NCLIEA	608,092	-	-
Chafee Foster Care Independence Program - Administration	93.674	1701NC1420	29,082	7,270	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G1701NCCWSS	55,593	-	-
Direct Benefits:					
Chafee Foster Care Independence Program - Direct Benefits	93.674	1701NC1420	31,188	-	-
Total Division of Social Services			3,187,497	32,099	-
<u>Special Children Adoption Fund Cluster<sup>3</sup></u>					
Promoting Safe and Stable Families					
Promoting Safe and Stable Families - Admin	93.556	1701NCFPSS	100,870	-	-
Promoting Safe and Stable Families	93.556	1701NCFPSS	44,122	-	-
Total Special Children Adoption Fund Cluster <sup>3</sup>			144,992	-	-
<u>Temporary Assistance for Needy Families Cluster</u>					
Division of Social Services:					
Temporary Assistance for Needy Families (TANF) State Programs:					
TANF- Work First Admin	93.558	1701NCTANF	578,677	-	-
TANF- Work First Service	93.558	1701NCTANF	167,740	-	-
Division of Public Health:					
Temporary Assistance for Needy Families	93.558	1701NCTANF	17,146	-	-
Total Temporary Assistance for Needy Families Cluster			763,563	-	-
<u>Foster Care and Adoption Cluster<sup>3</sup></u>					
Division of Social Services:					
Foster Care Title IV-E	93.658	1701NCFOST	73,562	73,462	-
Foster Care Title IV-E	93.658	1701NCFOST	34	-	-
Foster Care Title IV-E	93.658	1701NCFOST	351	-	-
Foster Care Title IV-E	93.658	1701NCFOST	227,396	-	-
Foster Care Title IV-E - Direct Benefit Payments	93.658	1701NCFOST	15,677	7,839	-
Foster Care Title IV-E - Direct Benefit Payments	93.658	1701NCFOST	15	-	-
Foster Care Title IV-E - Direct Benefit Payments	93.658	1701NCFOST	63,190	15,288	-
Foster Care Title IV-E - Direct Benefit Payments	93.658	1701NCFOST	119,510	32,145	-
Foster Care Title IV-E - Direct Benefit Payments	93.658	1701NCFOST	7,567	-	-
Foster Care Title IV-E	93.658	1701NCFOST	315,408	-	-
Adoption Assistance	93.659	1701NCADPT	45,032	-	-
Adoption Assistance	93.659	1701NCADPT	836	-	-
Adoption Assistance	93.659	1701NCADPT	169	-	-
Total Foster Care and Adoption Cluster <sup>3</sup>			868,747	128,734	-
<u>Subsidized Child Care Cluster<sup>3</sup></u>					
<u>Child Care Development Fund Cluster:</u>					
Division of Social Services:					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	G1701NCCDF	232,278	-	-
Division of Child Development:					
Child Care and Development Block Grant - Discretionary	93.575	13801810TB01	303,340	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Mandatory	93.596	G1701NCCDF	37,879	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Matching	93.596	G1701NCCDF	115,599	63,123	-
Total Child Care Development Fund Cluster			689,096	63,123	-
Temporary Assistance for Needy Families	93.558	1701NCTANF	30,486	-	-
Smart Start			-	3,995	-
State Appropriations			-	94,079	-
TANF - Maintenance of Effort			-	210	-
Total Subsidized Child Care Cluster <sup>3</sup>			719,582	161,407	-
<b>Total Administration for Children and Families</b>			<b>5,684,381</b>	<b>322,240</b>	<b>-</b>

## ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018

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><u>Centers for Medicare and Medicaid Services</u></b>					
Passed-Through N.C. Department of Health and Human Services:					
Division of Medical Assistance:					
<u>Medicaid Cluster:</u>					
Division of Social Services:					
Administration:					
Medical Assistance Program - Adult Home Case Management	93.778	XIX-MAP18	83,553	41,776	-
Medical Assistance Program - Medical Assistance Claim	93.778	XIX-MAP18	59,055	-	-
Medical Assistance Program - Medical Assistance Administration	93.778	XIX-MAP18	2,882,333	-	-
Medical Assistance Program - Medical Transportation Administration	93.778	XIX-MAP18	120,211	-	-
Medical Assistance Program - State County Special Assistance	93.778	XIX-MAP18	74,087	-	-
Total Medicaid Cluster			3,219,239	41,776	-
Children's Health Insurance Program- NC Health Choice	93.767	CHIP18	93,776	32	-
Total Centers for Medicare and Medicaid Services			3,313,015	41,808	-
<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	40,250	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	551 1460 272B	21	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	886 1261 5503	39,984	-	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	H23IP000759	33,916	-	-
HIV Cluster: <sup>3</sup>					
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	610 1311 462	692	-	-
Total HIV Cluster <sup>3</sup>			692	-	-
Total Division of Public Health			114,863	-	-
<b><u>Office of Population Affairs</u></b>					
Passed-Through the NC Department of Health and Human Services:					
Division of Public Health:					
Family Planning Services	93.217	151 13A1592	69,129	-	-
Total Office of Population Affairs			69,129	-	-
<b><u>Health Resources and Services Administration</u></b>					
Division of Public Health:					
Maternal and Child Health Services Block Grant to the States	93.994	101 13A1 5740	139,122	104,354	-
Total Health Resources and Services Administration			139,122	104,354	-
<b><u>Administration for Community Living</u></b>					
<u>Division of Aging and Adult Services</u>					
Passed-Through Piedmont Triad Regional Council:					
<u>Aging Cluster:</u>					
Special Programs for the Aging_ Title III, Part B_ Grants for Supportive Services and Senior Centers - Access	93.044	2018-Region G-001	195,487	87,540	283,027
Special Programs for the Aging_ Title III, Part B_ Grants for Supportive Services and Senior Centers - In-Home Services	93.044	2018-Region G-001	17,447	1,031	18,478
Special Programs for the Aging_ Title III, Part C_ Nutrition Services - Congregate Nutrition	93.045	2018-Region G-001	133,646	7,868	141,514
Special Programs for the Aging_ Title III, Part C_ Nutrition Services - Home Delivered Nutrition	93.045	2018-Region G-001	88,061	84,236	172,297
Nutrition Services Incentive Program	93.053	2018-Region G-001	66,392	-	66,392
Total Aging Cluster			501,033	180,675	681,708
Total Administration for Community Living			501,033	180,675	681,708
<b>Total U. S. Department of Health and Human Services</b>			9,847,543	649,077	681,708
<b>Total Federal Awards</b>			12,601,399	649,077	681,708

## ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018

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 Natural and Cultural Resources</u></b>					
NC Clean Water Management Trust Fund:					
Cane Mountain Natural Area			-	640,549	-
Division of State Library:					
LSTA EZ Literacy & Lifelong Learning Grant			-	2,094	-
State Aid to Public Libraries			-	188,057	-
<b>Total N. C. Department of Cultural and Natural Resources</b>			-	830,700	-
<b><u>N.C. Department of Health and Human Services</u></b>					
Division of Public Health:					
Food and Lodging Fees			-	49,336	-
Child Health			-	16,290	-
General Aid to Counties			-	133,274	-
General Communicable Disease Control			-	3,708	-
Gonorrhea Partner Services			-	521	-
HIV/STD State			-	12,500	-
STD Drugs			-	500	-
Minority Health Closing the Gap			-	217,742	-
Healthy Beginnings			-	12,298	-
Women's Health Service Fund			-	17,532	-
School Nurse Funding Initiative			-	100,000	-
Maternal Health			-	23,770	-
Family Planning-State			-	14,584	-
TB Control			-	31,182	-
<b>Total Division of Public Health</b>			-	633,237	-
Division of Social Services:					
Administration:					
ST Child Welfare/CPS/CS LD			-	405,996	-
DCD Smart Start			-	69,972	-
Energy Assistance Private Grant			-	9,517	-
AFDC Incent/Prog-Integrit			-	3,439	-
Direct Benefit Payments:					
Extended FC/Max Non IV-E			-	31,573	-
F/C At Risk Maximization			-	2,297	-
SFHF Maximization			-	14,774	-
State Foster Home			-	52,702	-
<b>Total Division of Social Services</b>			-	590,270	-
Division of Aging and Adult Services:					
Passed through Piedmont Triad Regional Council:					
State appropriations:					
Caregiver Match			-	2,756	2,756
In-Home Services State Funds			-	218,426	218,426
<b>Total Division of Aging and Adult Services</b>			-	221,182	221,182
<b>Total N.C. Department of Health and Human Services</b>			-	1,444,689	-
<b><u>N.C. Department of Public Instruction</u></b>					
Public School Building Capital Fund:					
Public School Building Capital Fund			-	1,855,991	-
<b>Total N.C. Department of Public Instruction</b>			-	1,855,991	-
<b><u>N.C. Department of Transportation</u></b>					
DOT Cluster					
ROAP Elderly and Disabled Transportation Assistance Program		DOT-16CL	-	105,093	-
ROAP Rural General Public Program		DOT-16CL	-	76,054	-
Transportation Assistance Program		DOT-16CL	-	35,346	-
<b>Total DOT Cluster</b>			-	216,493	-
<b>Total N.C. Department of Transportation</b>			-	216,493	-

## ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018

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><u>N.C. Department of Public Safety</u></b>					
Passed through the Emergency Management Office Tier II Non-Competitive Grant		T2-2017-1707	-	1,000	-
Passed through the Office of Juvenile Justice Juvenile Crime Prevention Council Program			-	321,975	321,975
<b>Total State Awards</b>			-	4,670,848	321,975
<b>Total Federal and State Awards</b>			<u>\$ 12,601,399</u>	<u>\$ 5,319,925</u>	<u>\$ 1,003,683</u>

**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, 2018. The information in this SEFSA is presented in accordance with the requirements of Title 2 US *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Because the schedule presents only a selected portion of the operations of Alamance County, it is not intended to and does not present the net position, changes in net position or cash flows of Alamance County.

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

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

**Note 3: Cluster of Programs**

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

Alamance County, North Carolina  
Financial Statements and Schedules

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