

**ALAMANCE COUNTY
NORTH CAROLINA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019

PREPARED BY ALAMANCE COUNTY FINANCE DEPARTMENT

ALAMANCE COUNTY, NORTH CAROLINA

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- *Principal Officials*
- *Organizational Chart*

Alamance County, North Carolina
Financial Statements and Schedules

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ALAMANCE COUNTY

Finance Department

124 West Elm Street

Graham, NC 27253

www.alamance-nc.com

susan.evans@alamance-nc.com

336-570-4026

FAX (336) 570-6360

Susan R. Evans

Finance Officer

November 20, 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, 2019. 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, 2019, 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, 2019 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. Not only is Alamance County experiencing growth in residential real estate, both commercial and industrial development has been expanding.



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 865 full-time, regular staff.



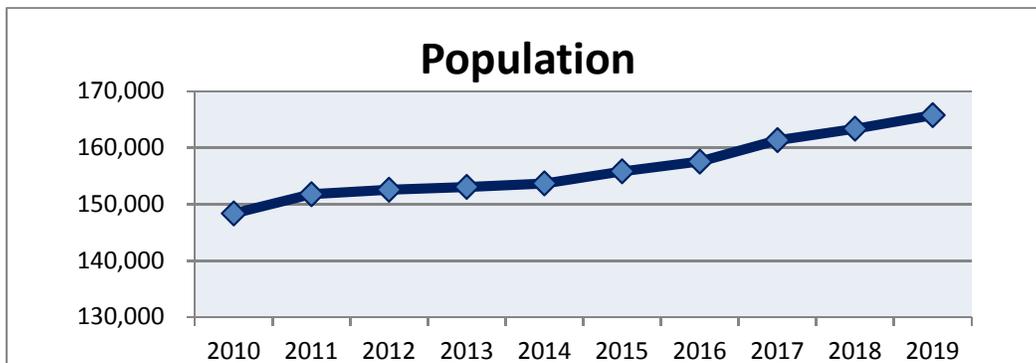
The County provides its citizens with a wide range of services including sheriff and fire protection, solid waste management, health and social services, cultural and recreational activities, general government administration, and others. In addition to the direct service provision provided, the County 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 and Alamance County Transportation Authority. The Burlington-Alamance Airport Authority continues to grow with a 50 acre expansion and goals of a new terminal and operations area for incoming aircraft.

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 2019 population for the County was 165,749, representing an 11.7% increase from the 2010 estimated population of 148,338. Projections indicate a constant level of growth for 2019-2020. Due to Alamance County's location in the Central Piedmont area between the cities of Greensboro and Raleigh, we continue to see more people moving into the county.



Economic Conditions and Outlook

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

The economy of the county has traditionally been driven by companies in the manufacturing sector, most notably the textile industry. More recently distribution centers and manufacturers serving the eastern United States have investing in our area due to centralized location, strong infrastructure and quality of life.

Alamance County's economy continues to see positive signs that improvements are in our future. The county unemployment rate which as of June 2019 was 4.4 percent as compared to 4.4 percent statewide, 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.

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 and the North Carolina Industrial Center continues to be developed. This includes investments made by Lidl Distribution Center, Lotus Bakeries, Universal Preserve-A-Chem and Honda Power Equipment.

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 has increased by 59% since 2012.

Management Policies

In order to maintain our ability to handle capital needs and debt financing appropriately, Alamance County follows established fiscal policies which were revised during this time period. 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. Monthly and quarterly reports for not only County operations and budgeting but also Alamance-Burlington School System and Alamance Community College are presented to our Board of Commissioners and the our citizens for review

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. The County operates a Performance Management program which balances program quality and costs. 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

Alamance County has a strategic plan which was developed using community input and guidance by the Board of Commissioners which is used to set budgetary priorities and service delivery goals.

The citizens of Alamance County approved two bond referendums for school facilities, \$150 million for Alamance-Burlington School System and \$39.6 million Alamance Community College. Management from the County, Alamance-Burlington School System and Alamance Community College worked together to establish a Technical Review Committee which met to develop the County's Capital Facility Plan. The plan involves a capital budget and capital forecasting to prioritize our capital needs.

We are actively monitoring the residential growth in rural and urban settings to better meet the service delivery needs of the County's citizens. This is done in cooperation with our municipal partners.

In adopting the budget for FY 2018-2019, the Board of Commissioners approved increasing the ad valorem tax rate by one cent to \$0.59 for increases in Human Service and Cultural Resources needs and educational funding.

The Future

The fiscal year 2019-2020 budget was adopted with a tax rate of \$0.67, which included the increase for the capital plan and future bonded debt service payments. Due to the growing needs within our County, the Board has allocated additional funding for consultants to aid in a land use development plan.

Some major features of the 2019-2020 budget include:

- Personnel – 16 new positions, with the majority in Human Services and Public Safety. Also increases in the employer health insurance premium for employees.
- Capital Outlay – Allocation of \$184,500 for equipment, \$670,000 for emergency response vehicles, and \$76,463 for building improvements. The County also borrowed \$1.5M to be repaid over 4 years for equipment and vehicles.
- Transfer to Other Funds – Allocation of \$589,030 for the County Buildings Capital Reserve Fund, \$9,596,125 for Schools Capital Reserve Fund, and \$1,679,179 for ACC Capital Reserve Fund as identified in the capital plan.

Awards and Acknowledgements

The County has participated in the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program since 1991. GFOA recognizes governmental units that issue their comprehensive annual financial report (CAFR) substantially in conformity with GAAP and all legal requirements. The County has received this award, the highest form of recognition awarded in the field of governmental financial accounting, for its comprehensive annual financial report for all years beginning with and since 1991, including the 2018 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, 2018

Christopher P. Morrill

Executive Director/CEO

ALAMANCE COUNTY, NORTH CAROLINA

PRINCIPAL OFFICIALS

Board of County Commissioners 2018-2019



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

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*

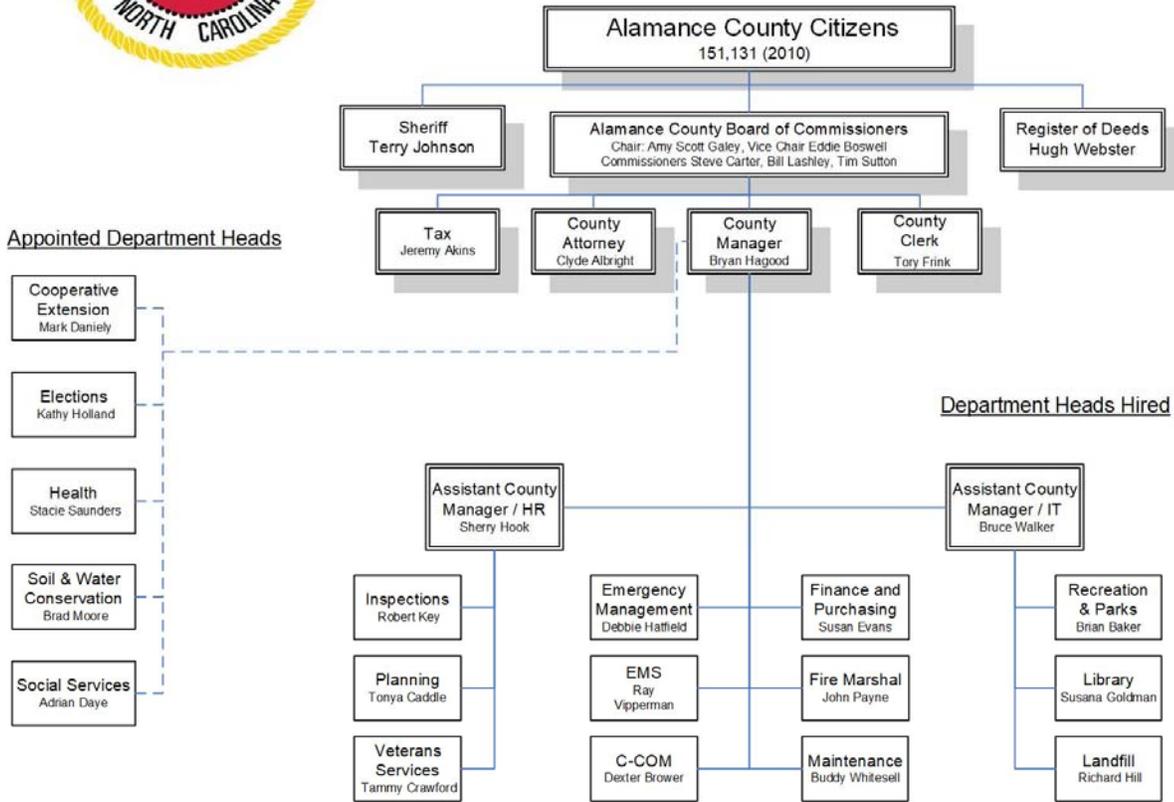
Susan R. Evans, *Finance Officer*

ALAMANCE COUNTY, NORTH CAROLINA
 Organization Chart - June 30, 2019



ALAMANCE COUNTY

Organizational Chart



Alamance County, North Carolina
Financial Statements and Schedules

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FINANCIAL SECTION

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

Alamance County, North Carolina
Financial Statements and Schedules

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MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Alamance County
Graham, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Alamance County, North Carolina, as of and for the year ended June 30, 2019, 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 43.90%, 42.56%, and 76.50% 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the 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 November 20, 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, North Carolina
November 20, 2019

Alamance County, North Carolina
Financial Statements and Schedules

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Management's Discussion and Analysis

As management of Alamance County, we offer readers of Alamance County's financial statements this narrative overview and analysis of the financial activities of Alamance County for the fiscal year ended June 30, 2019. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

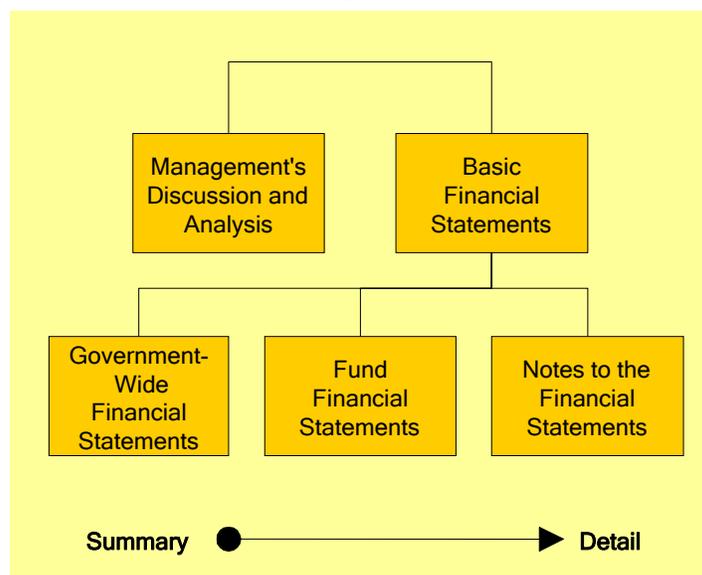
Financial Highlights

- The assets and deferred outflows of resources of Alamance County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$(20,484,432) (net position).
- The government's total net position increased by \$15,354,395, primarily due to increases in property tax and sales tax revenues and decreases in expenditures.
- As of the close of the current fiscal year, Alamance County's governmental funds reported combined ending fund balances of \$62,821,773, an increase of \$9,035,958 in comparison with the prior year. Approximately 27% of this total amount, or \$16,661,303, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$18,385,801, or 12%, of total General Fund expenditures for the fiscal year.
- Alamance County's total bond and financing debt decreased by \$9,015,355 during the current fiscal year.
- Alamance County maintained its Aa2 and AA bond ratings.

Overview of the Financial Statements

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

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

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

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

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

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

Government-Wide Financial Statements

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

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

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

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of Alamance County exceeded liabilities and deferred inflows of resources by \$(20,484,432) as of June 30, 2019. The County's net position for governmental activities increased by \$14,865,102 for the fiscal year ended June 30, 2019. 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, 2019 include outstanding general obligation debt of approximately \$38 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current and other assets	\$ 70,020,521	\$ 58,224,218	\$ 23,536,171	\$ 21,974,939	\$ 93,556,692	\$ 80,199,157
Capital assets	50,155,455	58,277,402	9,437,211	13,212,539	59,592,666	71,489,941
Total assets	<u>120,175,978</u>	<u>116,501,620</u>	<u>32,973,382</u>	<u>35,187,478</u>	<u>153,149,358</u>	<u>151,689,098</u>
Total deferred outflows of resources	<u>15,001,885</u>	<u>10,300,002</u>	<u>277,749</u>	<u>188,735</u>	<u>15,279,634</u>	<u>10,488,737</u>
Long-term liabilities outstanding	144,521,591	164,383,256	14,117,835	13,488,568	158,639,426	177,871,824
Other liabilities	<u>3,176,518</u>	<u>2,668,331</u>	<u>133,895</u>	<u>162,504</u>	<u>3,310,413</u>	<u>2,830,835</u>
Total liabilities	<u>147,698,109</u>	<u>167,051,587</u>	<u>14,251,730</u>	<u>13,651,072</u>	<u>161,949,839</u>	<u>180,702,659</u>
Total deferred inflows of resources	<u>26,428,109</u>	<u>9,263,653</u>	<u>535,476</u>	<u>187,943</u>	<u>26,963,585</u>	<u>9,451,596</u>
Net position:						
Net investment in capital assets	44,907,020	50,161,507	9,437,211	13,212,539	54,344,231	63,374,046
Restricted	16,591,160	16,070,192	-	-	16,591,160	16,070,192
Unrestricted	<u>(100,446,537)</u>	<u>(115,745,317)</u>	<u>9,026,714</u>	<u>8,324,659</u>	<u>(91,419,823)</u>	<u>(107,420,658)</u>
Total net position	<u>\$ (38,948,357)</u>	<u>\$ (49,513,618)</u>	<u>\$ 18,463,925</u>	<u>\$ 21,537,198</u>	<u>\$ (20,484,432)</u>	<u>\$ (27,976,420)</u>

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

- Continued diligence in the collection of property taxes kept the collection percentage to 98.95%
- 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues:						
Program revenues:						
Charges for services	\$ 15,569,768	\$ 16,837,626	\$ 5,071,735	\$ 4,349,317	\$ 20,641,503	\$ 21,186,943
Operating grants and contributions	19,759,184	18,390,020	-	184	19,759,184	18,390,204
Capital grants and contributions	5,660,713	3,055,991	-	-	5,660,713	3,055,991
Total program revenues	<u>40,989,665</u>	<u>38,283,637</u>	<u>5,071,735</u>	<u>4,349,501</u>	<u>46,061,400</u>	<u>42,633,138</u>
General revenues:						
Taxes:						
Property taxes for general purposes	90,854,389	85,894,808	-	-	90,854,389	85,894,808
Sales taxes for general purposes	31,520,453	29,828,338	-	-	31,520,453	29,828,338
Other taxes	2,076,177	1,856,364	-	-	2,076,177	1,856,364
Unrestricted investment earnings	1,638,519	857,082	108,854	59,873	1,747,373	916,955
Other	-	-	97,347	-	97,347	-
Total revenues	<u>167,079,203</u>	<u>156,720,229</u>	<u>5,277,936</u>	<u>4,409,374</u>	<u>172,357,139</u>	<u>161,129,603</u>
Expenses:						
General government	14,684,432	16,870,586	-	-	14,684,432	16,870,586
Public safety	44,608,105	44,785,445	-	-	44,608,105	44,785,445
Transportation	755,725	1,052,686	-	-	755,725	1,052,686
Economic and physical development	2,770,687	3,764,031	-	-	2,770,687	3,764,031
Environmental protection	356,505	642,510	-	-	356,505	642,510
Human services	30,935,727	32,364,054	-	-	30,935,727	32,364,054
Cultural and recreational	5,391,574	6,449,687	-	-	5,391,574	6,449,687
Education	50,754,004	49,903,221	-	-	50,754,004	49,903,221
Interest on long-term debt	1,957,342	2,247,710	-	-	1,957,342	2,247,710
Landfill	-	-	4,788,643	4,118,915	4,788,643	4,118,915
Total expenses	<u>152,214,101</u>	<u>158,079,930</u>	<u>4,788,643</u>	<u>4,118,915</u>	<u>157,002,744</u>	<u>162,198,845</u>
Change in net position	<u>14,865,102</u>	<u>(1,359,701)</u>	<u>489,293</u>	<u>290,459</u>	<u>15,354,395</u>	<u>(1,069,242)</u>
Net Position:						
Beginning of year - July 1	(49,513,618)	10,407,263	21,537,198	22,441,865	(27,976,420)	32,849,128
Restatement	(4,299,841)	(58,561,180)	(3,562,566)	(1,195,126)	(7,862,407)	(59,756,306)
Beginning of year, as restated	<u>(53,813,459)</u>	<u>(48,153,917)</u>	<u>17,974,632</u>	<u>21,246,739</u>	<u>(35,838,827)</u>	<u>(26,907,178)</u>
End of year - June 30	<u>\$ (38,948,357)</u>	<u>\$ (49,513,618)</u>	<u>\$ 18,463,925</u>	<u>\$ 21,537,198</u>	<u>\$ (20,484,432)</u>	<u>\$ (27,976,420)</u>

Governmental Activities. Governmental activities increased the County's net position by \$14,865,102. Key elements of the net increase are as follows:

- Increases in Property and Sales tax revenues
- Decreases in operating expenses

Business-Type Activities. Business-type activities increased Alamance County's net position by \$489,293. Higher economic development in the community increased business-type revenues such as tipping fees for the current year.

Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Alamance County. At the end of the current fiscal year, fund balance available in the General Fund was \$41,608,508, while total fund balance reached \$51,898,103, an increase of \$3,187,881 compared to the prior year. The County currently has an available fund balance of 28.3% of General Fund expenditures, while total fund balance represents 35.3% of the same amount.

At June 30, 2019, the governmental funds of Alamance County reported a combined fund balance of \$62,821,773 a 16.8% increase from last year. The reason for this increase of fund balance is the increase in the General Fund of \$3,187,881, a decrease in the Schools Capital Projects Fund of \$1,399,351, an increase in the Renovation and Repair Projects Fund of \$22,496, and an increase in other governmental funds of \$7,224,932. The increase in the General Fund is due to budgetary diligence as well as the increase in property tax and local option sales tax revenues received for the year. The decrease in the Schools Capital Projects fund is due to the completion of projects and the increase in Renovation and Repair Projects Fund is due projects pending completion. The increase in other governmental funds is due a contribution for the future construction of the Rudd Street building and increases transfers from other funds.

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 \$4,383,979 and expenditures by \$6,290,712. Other financing sources/uses increased by \$1,906,733.

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 \$9,026,714, an increase of \$702,055 compared to the prior year. The total increase in net position for the fund was \$489,293. Unrestricted net position of the internal service funds at the end of the year amounted to \$(140,750), an increase of \$1,297,654 compared to the prior year. The County continues to work on the improvement of the financial stability of both of the internal service funds by increasing employer health contributions and modifying plan options to reduce costs.

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, 2019 totals \$59,592,666 (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 Kernodle Building

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

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 3,218,338	\$ 2,921,094	\$ 2,765,112	\$ 2,765,112	\$ 5,983,450	\$ 5,686,206
Construction in progress	-	-	117,025	117,025	117,025	117,025
Library books and audio/ visual materials	1,773,995	2,507,396	-	-	1,773,995	2,507,396
Buildings	25,426,140	30,562,216	1,026,729	974,556	26,452,869	31,536,772
Other improvements	9,363,192	9,171,845	41,120	20,255	9,404,312	9,192,100
Easements	839,694	881,277	-	-	839,694	881,277
Equipment	5,030,092	7,001,915	992,364	706,252	6,022,456	7,708,167
Vehicles and motor equipment	4,415,211	5,136,870	1,725,482	1,757,537	6,140,693	6,894,407
Infrastructure	88,793	94,789	-	-	88,793	94,789
Landfill	-	-	2,769,379	6,871,802	2,769,379	6,871,802
Total	<u>\$ 50,155,455</u>	<u>\$ 58,277,402</u>	<u>\$ 9,437,211</u>	<u>\$ 13,212,539</u>	<u>\$ 59,592,666</u>	<u>\$ 71,489,941</u>

Additional information on the County's capital assets can be found in Note 6 of the Basic Financial Statements.

Long-Term Debt. As of June 30, 2019, Alamance County had total debt outstanding of \$51,200,477, 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	
	2019	2018	2019	2018	2019	2018
General obligation bonds, net	\$ 42,337,388	\$ 47,932,174	\$ -	\$ -	\$ 42,337,388	\$ 47,932,174
Installment financing agreements	3,096,874	4,656,105	-	-	3,096,874	4,656,105
Qualified school construction bonds	3,557,616	4,110,829	-	-	3,557,616	4,110,829
Capital leases	1,618,599	2,336,724	-	-	1,618,599	2,336,724
Recovery bonds	<u>590,000</u>	<u>1,180,000</u>	-	-	<u>590,000</u>	<u>1,180,000</u>
Total	<u>\$ 51,200,477</u>	<u>\$ 60,215,832</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,200,477</u>	<u>\$ 60,215,832</u>

Alamance County's total debt decreased by \$9,015,355 (14.9%) 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 maintained its 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 \$1,103,188,890.

Additional information regarding Alamance County's long-term debt can be found in footnote 12 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

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

- Growth in the tax base of the County is expected to increase as additional investment is made through economic development efforts.
- Sales tax revenues are expected to continue to increase 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, 2020

Governmental Activities. Property taxes and sales tax revenues are expected to be the primary sources of revenue. The property tax rate was increased by 8 cents to 0.67 cents per one hundred dollars (\$100) valuation for next fiscal year. The budgeted revenues will experience an increase in the amount of \$19,625,577.

Budgeted expenditures in the General Fund are expected to increase by 12.89% to \$171,905,114. The majority of this increase is representative of an upfront tax increase for bonded debt which will be issued during FY 2019-2020. Other increase in expenditures are due to increases in the employer health insurance premium for employees, additional funding to the school system, added positions, normal increases in supply costs spread throughout our departments, and capital outlay purchases.

Business-Type Activities. Rates for landfill services will increase slightly. There is no expected change for landfill operations.

Requests for Information

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

Susan 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, 2019

	<u>Component Units</u>					
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Tourism Development Authority</u>	<u>Transportation Authority</u>	<u>Total Reporting Unit</u>
Assets:						
Current assets:						
Cash and cash equivalents	\$ 53,266,526	\$ 23,080,723	\$ 76,347,249	\$ 1,421,040	\$ 273,514	\$ 78,041,803
Receivables, net	13,690,731	455,448	14,146,179	53,746	158,603	14,358,528
Notes receivable- short term	60,152	-	60,152	-	-	60,152
Prepaid items	-	-	-	-	16,802	16,802
Restricted cash and cash equivalents	2,471,478	-	2,471,478	-	-	2,471,478
Total current assets	<u>69,488,887</u>	<u>23,536,171</u>	<u>93,025,058</u>	<u>1,474,786</u>	<u>448,919</u>	<u>94,948,763</u>
Non-current assets:						
Deposits	-	-	-	-	5,150	5,150
Notes receivable- long term	270,684	-	270,684	-	-	270,684
Net pension asset - ROD	260,950	-	260,950	-	-	260,950
Capital assets:						
Land and other assets not being depreciated	3,218,338	2,882,137	6,100,475	-	-	6,100,475
Other capital assets, net of depreciation	46,937,117	6,555,074	53,492,191	14,699	711,521	54,218,411
Total capital assets	<u>50,155,455</u>	<u>9,437,211</u>	<u>59,592,666</u>	<u>14,699</u>	<u>711,521</u>	<u>60,318,886</u>
Total non-current assets	<u>50,687,089</u>	<u>9,437,211</u>	<u>60,124,300</u>	<u>14,699</u>	<u>716,671</u>	<u>60,855,670</u>
Total assets	<u>120,175,976</u>	<u>32,973,382</u>	<u>153,149,358</u>	<u>1,489,485</u>	<u>1,165,590</u>	<u>155,804,433</u>
Deferred Outflows of Resources:						
OPEB deferrals	1,854,443	37,846	1,892,289	-	-	1,892,289
Pension deferrals	12,679,937	239,903	12,919,840	-	-	12,919,840
Unamortized bond refunding charges	467,505	-	467,505	-	-	467,505
Total deferred outflows of resources	<u>15,001,885</u>	<u>277,749</u>	<u>15,279,634</u>	<u>-</u>	<u>-</u>	<u>15,279,634</u>
Liabilities:						
Current liabilities:						
Accounts payable and accrued expenses	3,176,518	133,895	3,310,413	18,532	59,101	3,388,046
Current portion of long-term liabilities	10,467,974	40,555	10,508,529	2,133	-	10,510,662
Total current liabilities	<u>13,644,492</u>	<u>174,450</u>	<u>13,818,942</u>	<u>20,665</u>	<u>59,101</u>	<u>13,898,708</u>
Long-term liabilities:						
Net pension liability - LGERS	15,048,814	307,119	15,355,933	-	-	15,355,933
Total pension liability - LEOSSA	4,099,774	-	4,099,774	-	-	4,099,774
Total OPEB liability	70,857,579	1,446,073	72,303,652	-	-	72,303,652
Due in more than one year	44,047,450	12,324,088	56,371,538	-	-	56,371,538
Total long-term liabilities	<u>134,053,617</u>	<u>14,077,280</u>	<u>148,130,897</u>	<u>-</u>	<u>-</u>	<u>148,130,897</u>
Total liabilities	<u>147,698,109</u>	<u>14,251,730</u>	<u>161,949,839</u>	<u>20,665</u>	<u>59,101</u>	<u>162,029,605</u>
Deferred Inflows of Resources:						
OPEB deferrals	26,022,446	531,071	26,553,517	-	-	26,553,517
Pension deferrals	405,663	4,405	410,068	-	-	410,068
Unearned revenue	-	-	-	-	18,245	18,245
Total deferred inflows of resources	<u>26,428,109</u>	<u>535,476</u>	<u>26,963,585</u>	<u>-</u>	<u>18,245</u>	<u>26,981,830</u>
Net Position:						
Net investment in capital assets	44,907,020	9,437,211	54,344,231	14,699	711,521	55,070,451
Restricted for:						
Stabilization by state statute	10,026,857	-	10,026,857	53,746	-	10,080,603
General government	113,251	-	113,251	-	-	113,251
Public safety	1,885,125	-	1,885,125	-	-	1,885,125
Economic and physical development	93,832	-	93,832	-	-	93,832
Transportation	22,201	-	22,201	-	-	22,201
Human services	4,016,815	-	4,016,815	-	-	4,016,815
Tourism promotion	-	-	-	1,400,375	-	1,400,375
Cultural and recreation	115,348	-	115,348	-	-	115,348
Register of Deeds' Pension Plan	317,731	-	317,731	-	-	317,731
Unrestricted	<u>(100,446,537)</u>	<u>9,026,714</u>	<u>(91,419,823)</u>	<u>-</u>	<u>376,723</u>	<u>(91,043,100)</u>
Total net position	<u>\$ (38,948,357)</u>	<u>\$ 18,463,925</u>	<u>\$ (20,484,432)</u>	<u>\$ 1,468,820</u>	<u>\$ 1,088,244</u>	<u>\$ (17,927,368)</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, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 14,684,432	\$ 2,661,854	\$ -	\$ -
Public safety	44,608,105	11,173,252	2,303,770	-
Transportation	755,725	-	-	-
Economic and physical development	2,770,687	-	-	-
Environmental protection	356,505	-	-	-
Human services	30,935,727	1,642,584	17,455,414	3,200,000
Cultural and recreational	5,391,574	92,078	-	-
Education	50,754,004	-	-	2,460,713
Interest on long-term debt	1,957,342	-	-	-
Total governmental activities	<u>152,214,101</u>	<u>15,569,768</u>	<u>19,759,184</u>	<u>5,660,713</u>
Business-Type Activities:				
Landfill	4,788,384	5,071,735	-	-
Total primary government	<u>\$ 157,002,485</u>	<u>\$ 20,641,503</u>	<u>\$ 19,759,184</u>	<u>\$ 5,660,713</u>
Component Units:				
Tourism Development Authority	\$ 455,157	\$ -	\$ -	\$ -
Transportation Authority	2,045,527	1,469,889	220,292	335,268
Total component units	<u>\$ 2,500,684</u>	<u>\$ 1,469,889</u>	<u>\$ 220,292</u>	<u>\$ 335,268</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, 2019

Functions/Programs	Net (Expense) Revenue and Changes in Net Position					
	Primary Government			Component Units Alamance County		Total Reporting Unit
	Governmental Activities	Business-Type Activities	Total	Tourism Development Authority	Transportation Authority	
Primary Government:						
Governmental Activities:						
General government	\$ (12,022,578)	\$ -	\$ (12,022,578)	\$ -	\$ -	\$ (12,022,578)
Public safety	(31,131,083)	-	(31,131,083)	-	-	(31,131,083)
Transportation	(755,725)	-	(755,725)	-	-	(755,725)
Economic and physical development	(2,770,687)	-	(2,770,687)	-	-	(2,770,687)
Environmental protection	(356,505)	-	(356,505)	-	-	(356,505)
Human services	(8,637,729)	-	(8,637,729)	-	-	(8,637,729)
Cultural and recreational	(5,299,496)	-	(5,299,496)	-	-	(5,299,496)
Education	(48,293,291)	-	(48,293,291)	-	-	(48,293,291)
Interest on long-term debt	(1,957,342)	-	(1,957,342)	-	-	(1,957,342)
Total governmental activities	<u>(111,224,436)</u>	<u>-</u>	<u>(111,224,436)</u>	<u>-</u>	<u>-</u>	<u>(111,224,436)</u>
Business-Type Activities:						
Landfill	-	283,351	283,351	-	-	283,351
Total primary government	<u>(111,224,436)</u>	<u>283,351</u>	<u>(110,941,085)</u>	<u>-</u>	<u>-</u>	<u>(110,941,085)</u>
Component Units:						
Tourism Development Authority				(455,157)	-	(455,157)
Transportation Authority				-	(20,078)	(20,078)
Total component units				<u>(455,157)</u>	<u>(20,078)</u>	<u>(475,235)</u>
General Revenues:						
Taxes:						
Property taxes, levied for general purposes	90,854,389	-	90,854,389	-	-	90,854,389
Local option sales tax	31,520,453	-	31,520,453	-	-	31,520,453
Other taxes and licenses	2,076,177	-	2,076,177	622,325	-	2,698,502
Investment earnings, unrestricted	1,638,519	108,854	1,747,373	9,320	17	1,756,710
Gain on disposal	-	97,088	97,088	-	46,300	143,388
Miscellaneous	-	-	-	4,777	-	4,777
Total general revenues	<u>126,089,538</u>	<u>205,942</u>	<u>126,295,480</u>	<u>636,422</u>	<u>46,317</u>	<u>126,978,219</u>
Change in net position	<u>14,865,102</u>	<u>489,293</u>	<u>15,354,395</u>	<u>181,265</u>	<u>26,239</u>	<u>15,561,899</u>
Net Position:						
Beginning of year - July 1	(49,513,618)	21,537,198	(27,976,420)	1,287,555	1,062,005	(25,626,860)
Restatement	(4,299,841)	(3,562,566)	(7,862,407)	-	-	(7,862,407)
Beginning of year - restated	<u>(53,813,459)</u>	<u>17,974,632</u>	<u>(35,838,827)</u>	<u>1,287,555</u>	<u>1,062,005</u>	<u>(33,489,267)</u>
End of year - June 30	<u>\$ (38,948,357)</u>	<u>\$ 18,463,925</u>	<u>\$ (20,484,432)</u>	<u>\$ 1,468,820</u>	<u>\$ 1,088,244</u>	<u>\$ (17,927,368)</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, 2019

	Major			Nonmajor	Total Governmental Funds
	General Fund	Schools Capital Projects Fund	Renovation and Repair Projects Fund	Other Governmental Funds	
Assets:					
Cash and cash equivalents	\$ 41,449,481	\$ 802,180	\$ 255,172	\$ 10,052,394	\$ 52,559,227
Taxes receivable, net	1,663,053	-	-	214,689	1,877,742
Receivables, net	10,983,941	-	-	66,033	11,049,974
Notes receivable	330,836	-	-	-	330,836
Due from other governments	545,611	-	-	208,485	754,096
Due from other funds	206,420	-	-	-	206,420
Restricted cash and cash equivalents	2,428,659	-	-	42,819	2,471,478
Total assets	<u>\$ 57,608,001</u>	<u>\$ 802,180</u>	<u>\$ 255,172</u>	<u>\$ 10,584,420</u>	<u>\$ 69,249,773</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,533,778	\$ -	\$ -	\$ 90,573	\$ 1,624,351
Due to other funds	-	-	-	206,420	206,420
Total liabilities	<u>1,533,778</u>	<u>-</u>	<u>-</u>	<u>296,993</u>	<u>1,830,771</u>
Deferred Inflows of Resources:					
Taxes receivable	1,663,053	-	-	214,689	1,877,742
EMS receivable	1,303,019	-	-	-	1,303,019
Other accounts receivable	1,210,048	-	-	206,420	1,416,468
Total deferred inflows of resources	<u>4,176,120</u>	<u>-</u>	<u>-</u>	<u>421,109</u>	<u>4,597,229</u>
Fund Balances:					
Non-spendable - not in spendable form:					
Notes receivable	330,836	-	-	-	330,836
Restricted:					
Stabilization by state statute	9,958,759	-	-	68,098	10,026,857
Restricted, all other	2,008,298	-	-	4,295,312	6,303,610
Committed	8,022,871	802,180	255,172	5,709,328	14,789,551
Assigned	13,191,538	-	-	-	13,191,538
Unassigned	18,385,801	-	-	(206,420)	18,179,381
Total fund balances	<u>51,898,103</u>	<u>802,180</u>	<u>255,172</u>	<u>9,866,318</u>	<u>62,821,773</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 57,608,001</u>	<u>\$ 802,180</u>	<u>\$ 255,172</u>	<u>\$ 10,584,420</u>	<u>\$ 69,249,773</u>

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

ALAMANCE COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>Total Governmental Funds</u>
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position:	
Total fund balance, governmental funds	\$ 62,821,773
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.	50,155,455
Deferred charges on refunding reported in governmental activities are not reported in the funds.	467,505
Net pension asset - ROD	260,950
Net pension liability - LGERS	(15,048,814)
Total pension liability - LEOSSA	(4,099,774)
Deferred outflows of resources related to pensions are not reported in the funds.	12,679,937
Deferred outflows of resources related to OPEB are not reported in the funds.	1,854,443
Deferred inflows related to pensions are not reported in the funds.	(405,663)
Deferred inflows related to OPEB are not reported in the funds.	(26,022,446)
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.	(140,750)
Other long-term assets are not available to pay for current expenditures and, therefore, are deferred inflows of resources in the funds.	4,597,229
Total OPEB liability	(70,857,579)
Long-term liabilities and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(54,515,424)
Other long-term liabilities (accrued interest) are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(695,199)</u>
Net position of governmental activities	<u>\$ (38,948,357)</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, 2019

	Major			Nonmajor	Total Governmental Funds
	General Fund	Schools Capital Projects Fund	Renovation and Repair Projects Fund	Other Governmental Funds	
Revenues:					
Ad valorem taxes	\$ 84,468,666	\$ -	\$ -	\$ 5,546,238	\$ 90,014,904
Local option sales taxes	31,520,453	-	-	-	31,520,453
Other taxes and licenses	2,076,177	-	-	-	2,076,177
Unrestricted intergovernmental	263,802	-	-	-	263,802
Restricted intergovernmental	18,971,127	2,460,713	-	788,057	22,219,897
Permits and fees	1,667,286	-	-	-	1,667,286
Sales and services	12,412,101	-	-	-	12,412,101
Contributions	-	-	-	3,200,000	3,200,000
Investment earnings	1,567,178	-	-	56,990	1,624,168
Miscellaneous	979,893	-	-	-	979,893
Total revenues	<u>153,926,683</u>	<u>2,460,713</u>	<u>-</u>	<u>9,591,285</u>	<u>165,978,681</u>
Expenditures:					
Current:					
General government	14,203,886	-	227,504	-	14,431,390
Public safety	36,436,504	-	-	6,531,242	42,967,746
Transportation	478,708	-	-	-	478,708
Environmental protection	79,488	-	-	-	79,488
Economic and physical development	2,488,307	-	-	-	2,488,307
Human services	30,650,334	-	-	-	30,650,334
Cultural and recreation	4,765,706	-	-	-	4,765,706
Education	47,202,481	3,413,015	-	-	50,615,496
Debt service:					
Principal	8,778,538	-	-	-	8,778,538
Interest and other charges	2,076,245	-	-	-	2,076,245
Total expenditures	<u>147,160,197</u>	<u>3,413,015</u>	<u>227,504</u>	<u>6,531,242</u>	<u>157,331,958</u>
Revenues over (under) expenditures	<u>6,766,486</u>	<u>(952,302)</u>	<u>(227,504)</u>	<u>3,060,043</u>	<u>8,646,723</u>
Other Financing Sources (Uses):					
Transfers from other funds	452,331	-	250,000	4,170,171	4,872,502
Transfers to other funds	(4,308,905)	(447,049)	-	(5,282)	(4,761,236)
Capital lease obligations issued	277,969	-	-	-	277,969
Total other financing sources (uses)	<u>(3,578,605)</u>	<u>(447,049)</u>	<u>250,000</u>	<u>4,164,889</u>	<u>389,235</u>
Net change in fund balances	3,187,881	(1,399,351)	22,496	7,224,932	9,035,958
Fund Balances:					
Beginning of year - July 1	<u>48,710,222</u>	<u>2,201,531</u>	<u>232,676</u>	<u>2,641,386</u>	<u>53,785,815</u>
End of year - June 30	<u>\$ 51,898,103</u>	<u>\$ 802,180</u>	<u>\$ 255,172</u>	<u>\$ 9,866,318</u>	<u>\$ 62,821,773</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, 2019**

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)	\$ 9,035,958
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.	2,308,966
Loss on the disposal of capital assets during the year, not recognized on the modified accrual basis	(1,951,378)
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(4,179,694)
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	839,485
Change in deferred outflow - pension	3,964,177
Change in deferred inflows - pension	76,911
Change in net pension asset (liability)	(5,124,674)
Expenses related to compensated absences that do not require current financial are not reported as expenditures in the governmental funds statement.	(404,927)
Pension expense - LEOSSA	(157,016)
OPEB plan expense	103,299
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.	8,778,538
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.	(277,969)
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.	118,903
Deferred charges on refunding reported in governmental activities are not reported in the funds.	(77,917)
Net revenue (loss) of internal service funds determined to be governmental type	<u>1,297,654</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 14,865,102</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Over/Under
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 82,582,076	\$ 83,329,467	\$ 84,468,666	\$ 1,139,199
Local option sales taxes	28,908,477	29,608,477	31,520,453	1,911,976
Other taxes and licenses	1,760,485	1,860,485	2,076,177	215,692
Unrestricted intergovernmental	260,000	260,000	263,802	3,802
Restricted intergovernmental	17,594,924	18,997,240	18,971,127	(26,113)
Permits and fees	1,610,000	1,610,000	1,667,286	57,286
Sales and services	10,468,921	11,597,466	12,412,101	814,635
Investment earnings	659,853	659,853	1,567,178	907,325
Miscellaneous	771,667	1,077,394	979,893	(97,501)
Total revenues	<u>144,616,403</u>	<u>149,000,382</u>	<u>153,926,683</u>	<u>4,926,301</u>
Expenditures:				
Current:				
General government	15,781,306	16,950,281	15,199,980	1,750,301
Public safety	35,672,711	38,650,103	36,436,504	2,213,599
Transportation	478,821	479,126	478,708	418
Environmental protection	70,544	83,044	79,488	3,556
Economic and physical development	3,401,478	3,541,980	2,488,307	1,053,673
Human services	32,638,784	34,318,196	30,650,334	3,667,862
Cultural and recreational	4,994,688	5,336,314	4,765,706	570,608
Intergovernmental:				
Education	47,202,481	47,202,481	47,202,481	-
Debt service:				
Principal	7,782,445	7,782,445	7,782,444	1
Interest and other charges	2,079,539	2,079,539	2,076,245	3,294
Contingency	67,024	37,024	-	37,024
Total expenditures	<u>150,169,821</u>	<u>156,460,533</u>	<u>147,160,197</u>	<u>9,300,336</u>
Revenues over (under) expenditures	<u>(5,553,418)</u>	<u>(7,460,151)</u>	<u>6,766,486</u>	<u>14,226,637</u>
Other Financing Sources (Uses):				
Transfers from other funds	452,331	481,031	452,331	(28,700)
Transfers (to) other funds	(2,109,716)	(4,308,905)	(4,308,905)	-
Capital lease obligations issued	-	277,969	277,969	-
Appropriated fund balance	7,210,803	11,010,056	-	(11,010,056)
Total other financing sources (uses)	<u>5,553,418</u>	<u>7,460,151</u>	<u>(3,578,605)</u>	<u>(11,038,756)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	3,187,881	<u>\$ 3,187,881</u>
Fund Balance:				
Beginning of year - July 1			<u>48,710,222</u>	
End of year - June 30			<u>\$ 51,898,103</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, 2019

	<u>Major Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Landfill Fund</u>	<u>Internal Service Funds</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 23,080,723	\$ 707,299
Receivables, net	455,448	8,919
Total current assets	<u>23,536,171</u>	<u>716,218</u>
Non-current assets:		
Capital assets:		
Land and other assets not depreciated	2,882,137	-
Other capital assets, net of depreciation	<u>6,555,074</u>	<u>-</u>
Total capital assets	<u>9,437,211</u>	<u>-</u>
Total non-current assets	<u>9,437,211</u>	<u>-</u>
Total assets	<u>32,973,382</u>	<u>716,218</u>
Deferred Outflows of Resources:		
OPEB deferrals	37,846	-
Pension deferrals	<u>239,903</u>	<u>-</u>
Total deferred outflows of resources	<u>277,749</u>	<u>-</u>
Liabilities:		
Current liabilities:		
Accounts payable	133,895	856,968
Compensated absences payable	<u>40,555</u>	<u>-</u>
Total current liabilities	<u>174,450</u>	<u>856,968</u>
Non-current liabilities:		
Net pension liability	307,119	-
Accrued landfill closure and post-closure care costs	12,290,905	-
Compensated absences payable	33,183	-
Total OPEB liability	<u>1,446,073</u>	<u>-</u>
Total non-current liabilities	<u>14,077,280</u>	<u>-</u>
Total liabilities	<u>14,251,730</u>	<u>856,968</u>
Deferred Inflows of Resources:		
OPEB deferrals	531,071	-
Pension deferrals	<u>4,405</u>	<u>-</u>
Total deferred inflows of resources	<u>535,476</u>	<u>-</u>
Net Position:		
Investment in capital assets	9,437,211	-
Unrestricted	<u>9,026,714</u>	<u>(140,750)</u>
Total net position	<u>\$ 18,463,925</u>	<u>\$ (140,750)</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, 2019

	Major Enterprise Fund	Governmental Activities
	Landfill Fund	Internal Service Funds
Operating Revenues:		
Landfill user charges	\$ 4,608,470	\$ -
Insurance premiums	-	12,331,446
Miscellaneous	463,265	2,872
Total operating revenues	<u>5,071,735</u>	<u>12,334,318</u>
Operating Expenses:		
Administration	148,785	872
Operations:		
Salaries and benefits	1,250,072	10,840,372
Supplies and materials	28,927	-
Current obligations and services	656,883	-
State mandated MSW/C&D charges	235,784	-
Fixed charges and other expenses	663,760	98,505
Landfill closure and post-closure care costs	858,745	-
Depreciation	945,428	-
Total operating expenses	<u>4,788,384</u>	<u>10,939,749</u>
Operating income (loss)	<u>283,351</u>	<u>1,394,569</u>
Non-Operating Revenues (Expenses):		
Interest and investment revenue	108,854	14,351
Gain (loss) on disposal of assets	97,088	-
Total non-operating revenue	<u>205,942</u>	<u>14,351</u>
Other Financing Sources (Uses):		
Transfer from (to) other funds	-	(111,266)
Change in net position	<u>489,293</u>	<u>1,297,654</u>
Net Position		
Beginning of year - July 1	21,537,198	(1,438,404)
Restatement	(3,562,566)	-
Beginning, restated	<u>17,974,632</u>	<u>(1,438,404)</u>
End of year - June 30	<u>\$ 18,463,925</u>	<u>\$ (140,750)</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, 2019

	Major Enterprise Fund	Governmental Activities
	Landfill Fund	Internal Service Funds
Cash Flows from Operating Activities:		
Cash received from customers	\$ 5,061,011	\$ 12,334,318
Cash paid for goods and services	(1,589,924)	(10,446,304)
Cash paid to employees for services	(1,393,855)	-
Net cash provided (used) by operating activities	<u>2,077,232</u>	<u>1,888,014</u>
Cash Flows from Non-Capital Financing Activities:		
Transfers (to) from other funds	-	(111,266)
Advances (to) from other funds	-	(1,733,601)
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>(1,844,867)</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(732,925)	-
Proceeds from sale of capital assets	97,347	-
Net cash provided (used) by capital and related financing activities	<u>(635,578)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest on investments	108,854	14,351
Net increase (decrease) in cash and cash equivalents	1,550,508	57,498
Cash and Cash Equivalents:		
Beginning of year - July 1	<u>21,530,215</u>	<u>649,801</u>
End of year - June 30	<u>\$ 23,080,723</u>	<u>\$ 707,299</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	<u>\$ 283,351</u>	<u>\$ 1,394,569</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	945,428	-
Landfill closure and post-closure care costs	858,745	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(10,724)	-
Increase (decrease) in accounts payable and accrued liabilities	(28,609)	493,445
(Increase) decrease in deferred outflows of resources for pensions	(81,867)	-
Increase (decrease) in net pension liability	104,506	-
Increase (decrease) in deferred inflows of resources for pensions	(1,843)	-
Increase (decrease) in accrued vacation pay	10,352	-
(Increase) decrease in deferred outflows of resources for OPEB	(7,147)	-
Increase (decrease) in deferred inflows of resources for OPEB	349,376	-
Increase (decrease) in total OPEB liability	(344,336)	-
Total adjustments	<u>1,793,881</u>	<u>493,445</u>
Net cash provided (used) by operating activities	<u>\$ 2,077,232</u>	<u>\$ 1,888,014</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, 2019

	Private Purpose Trust Funds	Agency Funds
Assets:		
Cash and cash equivalents	\$ 403,567	\$ 420,955
Receivables, net	-	371,904
Total assets	<u>403,567</u>	<u>792,859</u>
Liabilities and Net Position:		
Liabilities:		
Intergovernmental payable	-	<u>792,859</u>
Net Position:		
Assets held in trust for beneficiaries	<u>403,567</u>	-
Total liabilities and net position	<u>\$ 403,567</u>	<u>\$ 792,859</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, 2019**

	Private-Purpose Trust Funds
Additions:	
Restricted intergovernmental	\$ 907,339
Permits and fees	37,834
Miscellaneous	1,375,263
Investment earnings	183
Total additions	<u>2,320,619</u>
Deductions:	
Benefits	<u>2,221,713</u>
Change in net position	98,906
Net Position:	
Beginning of year - July 1	<u>304,661</u>
End of year - June 30	<u><u>\$ 403,567</u></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, 2019

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, 2019

- **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, 2019

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 nonmajor funds.

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

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

The County has the following fund categories:

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

Governmental funds include the following fund types:

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

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

Capital Projects Fund. The capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The County has five capital project funds within the nonmajor governmental fund types: Capital Reserve Funds, Mental Health Diversion Center Fund, Alamance Community College Fund, 800 MHZ Emergency Equipment Fund and the Rudd Street Building 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, 2019

Internal Service Funds. Internal service funds account for employee health benefits, workers' compensation, 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, 2019

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, 2019

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 and the NCCMT Term Portfolio's, are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less and non-participating interest earnings and investment contracts are reported at amortized cost.

Cash and Cash Equivalents. The County pools 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. Unspent grant proceeds and third-party donations in the amount of \$1,951,260 and unspent debt proceeds of \$57,038 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, 2019

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, 2018. 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
Infrastruture	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, 2019

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 five items that meet the criterion for this category: OPEB related deferrals, pension related deferrals, taxes receivable, EMS receivables, and other receivables.

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, 2019

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 – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State Statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "Restricted by State Statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as non-spendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of restricted net position and restricted fund balance on the face of the balance sheet.

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 Transportation – portion of fund balance that is restricted by revenue source for transportation.

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.

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Restricted fund balance at June 30, 2019 is as follows:

Purpose	General Fund	Other Governmental Funds
Restricted, All Other:		
Public safety	\$ 846,851	\$ 1,095,312
General government	113,251	-
Human services	816,815	3,200,000
Transportation	22,201	-
Economic and physical development	93,832	-
Cultural and recreation	115,348	-
Total	\$ 2,008,298	\$ 4,295,312

Restricted net position on Exhibit A varies from restricted fund balance on Exhibit C by the amount of unspent bond proceeds of \$57,038 as of June 30, 2019 and Register of Deeds' Pension Plan of \$317,731, for a net difference of \$260,693.

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 Public Safety – portion of fund balance committed by the Board of Commissioners that can only be used for public safety.

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.

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Committed fund balance at June 30, 2019 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	\$ 4,237,609	\$ 802,180	\$ -	\$ 345,202
General government	-	-	255,172	4,164,126
Public safety	2,900,000	-	-	-
Human services	3,301	-	-	1,200,000
Tax revaluation	420,361	-	-	-
Economic and physical development	461,600	-	-	-
Total	\$ 8,022,871	\$ 802,180	\$ 255,172	\$ 5,709,328

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.

Assigned for Economic and Physical Development – represents the portion of fund balance assigned by the Board of Commissioners for various economic and physical development.

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.

<u>Purpose</u>	<u>General Fund</u>
General government	\$ 4,566,258
Public safety	351,558
Human resources	2,397,495
Economic and physical development	269,525
Cultural and recreational	359,589
Subsequent years' expenditures	5,247,113
Total	\$ 13,191,538

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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	\$ 51,898,103
Less:	
Notes receivable	330,836
Stabilization by state statute	<u>9,958,759</u>
Total available fund balance - General Fund	<u>\$ 41,608,508</u>

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

	General Fund
Encumbrances	<u>\$ 735,854</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

ALAMANCE COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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. Stewardship, Compliance, and Accountability

A. Deficit Net Position of Individual Funds

At year-end, the County reported deficit fund balance or net position in the following funds:

Employee Insurance Fund	<u>\$ 754,092</u>
Grant Fund	<u>\$ 206,420</u>

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

B. Non-Compliance with North Carolina General Statutes- Excess of Expenditures Over Appropriations

Excess of expenditures over appropriations are in violation of State law [G159-28(b)]. Violations as of June 30, 2019, are as follows:

Landfill	<u>\$(104,660)</u>
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Management and the Board will more closely monitor the budget in these funds to ensure compliance in future years.

Note 3. 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

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the 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, 2019, the County's deposits had a carrying amount of \$20,164,626 and a bank balance of \$22,423,905. Of the bank balance, \$953,699 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method.

At June 30, 2019, the County had \$5,742 cash on hand.

Investments. At June 30, 2019, the County had the following investments and maturities:

	Valuation Measurement Method	Fair Value	Less Than 1
Commercial Paper	Fair Value-Level 2	\$ 18,753,069	\$ 18,753,069
NCCMT - Government Portfolio	Fair Value-Level 1	40,719,812	-
Total		<u>\$ 59,472,881</u>	<u>\$ 18,753,069</u>

As of June 30, 2019, the NCCMT Term Portfolio has a duration of .11 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

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

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

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

ALAMANCE COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019, the County’s investments were rated as follows:

	Standard Poor's	Moody's Investor Services
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, Credit Suisse, DCAT, Duke University, JP Morgan, MUFG Band, Natixis, and Toyota Motor. These investments are 3.3%, 5.0%, 1.7%, 5.0%, 1.6%, 5.0%, 3.3% and 6.7%, respectively, of the County’s total investments.

Note 4. Property Tax - Use-Value Assessment on Certain Lands

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

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

Year of Levy	Tax	Interest	Total
2016	\$ 2,103,528	\$ 688,960	\$ 2,792,488
2017	2,117,559	503,048	2,620,607
2018	2,193,570	323,555	2,517,125
2019	2,243,492	129,012	2,372,504
Total	\$ 8,658,149	\$ 1,644,575	\$ 10,302,724

ALAMANCE COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Note 5. Receivables

Receivables at the government-wide level at June 30, 2019, were as follows:

	Government-Wide Financial Statements		
	Governmental Activities	Business-Type Activities	Total
Receivables:			
Accounts	\$ 21,569,042	\$ 508,142	\$ 22,077,184
Taxes	2,510,935	-	2,510,935
Due from other governments	754,096	-	754,096
Gross receivables	24,834,073	508,142	25,342,215
Less: allowance for uncollectibles	(11,143,342)	(52,694)	(11,196,036)
Net total receivables	<u>\$ 13,690,731</u>	<u>\$ 455,448</u>	<u>\$ 14,146,179</u>

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

Local option sales tax	\$ 170,996
Other governments	583,100
Total	<u>\$ 754,096</u>

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Note 6. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2019, was as follows:

	<u>July 1, 2018</u>	<u>Restatement</u>	<u>Restated July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2019</u>
Governmental Activities:							
Non-Depreciable Capital Assets:							
Land	\$ 2,921,094	\$ -	\$ 2,921,094	\$ 297,244	\$ -	\$ -	\$ 3,218,338
Construction in progress	-	-	-	162,157	-	(162,157)	-
Total non-depreciable capital assets	<u>2,921,094</u>	<u>-</u>	<u>2,921,094</u>	<u>459,401</u>	<u>-</u>	<u>(162,157)</u>	<u>3,218,338</u>
Depreciable Capital Assets:							
Buildings	51,136,165	-	51,136,165	25,454	(1,764,812)	(384,754)	49,012,053
Other improvements	12,313,526	-	12,313,526	223,605	(28,398)	546,911	13,055,644
Easements	1,179,217	-	1,179,217	-	-	-	1,179,217
Equipment	14,754,011	499,633	15,253,644	538,011	(1,479,156)	-	14,312,499
Vehicles and motor equipment	10,346,721	197,843	10,544,564	919,657	(1,409,679)	-	10,054,542
Library books	2,545,809	-	2,545,809	87,070	(235,270)	-	2,397,609
Library audio-visual materials	588,436	-	588,436	55,768	(49,637)	-	594,567
Infrastructure	158,649	-	158,649	-	-	-	158,649
Total depreciable capital assets	<u>93,022,534</u>	<u>697,476</u>	<u>93,720,010</u>	<u>1,849,565</u>	<u>(4,966,952)</u>	<u>162,157</u>	<u>90,764,780</u>
Less Accumulated Depreciation:							
Buildings	(20,573,949)	(2,199,932)	(22,773,881)	(876,973)	64,941	-	(23,585,913)
Other improvements	(3,141,681)	(56,791)	(3,198,472)	(499,361)	5,381	-	(3,692,452)
Easements	(297,940)	(2,345)	(300,285)	(39,238)	-	-	(339,523)
Equipment	(7,752,096)	(1,585,919)	(9,338,015)	(1,423,548)	1,479,156	-	(9,282,407)
Vehicles and motor equipment	(5,209,851)	(1,149,557)	(6,359,408)	(689,602)	1,409,679	-	(5,639,331)
Library books	(509,162)	-	(509,162)	(517,937)	45,825	-	(981,274)
Library audio-visual materials	(117,687)	-	(117,687)	(129,812)	10,592	-	(236,907)
Infrastructure	(63,860)	(2,773)	(66,633)	(3,223)	-	-	(69,856)
Total accumulated depreciation	<u>(37,666,226)</u>	<u>(4,997,317)</u>	<u>(42,663,543)</u>	<u>\$ (4,179,694)</u>	<u>\$ 3,015,574</u>	<u>\$ -</u>	<u>(43,827,663)</u>
Total depreciable capital assets, net	<u>55,356,308</u>						<u>46,937,117</u>
Governmental activities capital assets, net	<u>\$ 58,277,402</u>						<u>\$ 50,155,455</u>

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

General government	\$ 2,057,106
Public safety	1,331,919
Economic and physical development	5,363
Human services	79,563
Cultural (parks and recreation)	<u>705,743</u>
Total depreciation expense	<u>\$ 4,179,694</u>

Capital asset activity for business-type activities for the year ended June 30, 2019, was as follows:

	<u>July 1, 2018</u>	<u>Restatement</u>	<u>Restated July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2019</u>
Business-Type Activities:						
Landfill:						
Non-Depreciable Capital Assets:						
Land	\$ 2,765,112	\$ -	\$ 2,765,112	\$ -	\$ -	\$ 2,765,112
Construction in progress	<u>117,025</u>	<u>-</u>	<u>117,025</u>	<u>-</u>	<u>-</u>	<u>117,025</u>
Total non-depreciable capital assets	<u>2,882,137</u>	<u>-</u>	<u>2,882,137</u>	<u>-</u>	<u>-</u>	<u>2,882,137</u>
Depreciable Capital Assets:						
Landfill construction	13,429,788	-	13,429,788	29,558	-	13,459,346
Buildings	1,196,332	-	1,196,332	-	-	1,196,332
Other improvements	788,777	-	788,777	-	-	788,777
Fixtures and equipment	1,851,378	-	1,851,378	674,319	(278,905)	2,246,792
Vehicles and motor equipment	<u>4,669,313</u>	<u>-</u>	<u>4,669,313</u>	<u>29,048</u>	<u>-</u>	<u>4,698,361</u>
Total depreciable capital assets	<u>21,935,588</u>	<u>-</u>	<u>21,935,588</u>	<u>732,925</u>	<u>(278,905)</u>	<u>22,389,608</u>
Less Accumulated Depreciation:						
Landfill construction	(6,557,986)	(3,678,179)	(10,236,165)	(453,802)	-	(10,689,967)
Buildings	(221,776)	58,426	(163,350)	(6,253)	-	(169,603)
Other improvements	(768,522)	23,987	(744,535)	(3,122)	-	(747,657)
Fixtures and equipment	(1,145,126)	23,503	(1,121,623)	(411,451)	278,646	(1,254,428)
Vehicles and motor equipment	<u>(2,911,776)</u>	<u>9,697</u>	<u>(2,902,079)</u>	<u>(70,800)</u>	<u>-</u>	<u>(2,972,879)</u>
Total accumulated depreciation	<u>(11,605,186)</u>	<u>\$ (3,562,566)</u>	<u>\$ (15,167,752)</u>	<u>\$ (945,428)</u>	<u>\$ 278,646</u>	<u>(15,834,534)</u>
Total capital assets being depreciated, net	<u>10,330,402</u>					<u>6,555,074</u>
Landfill capital assets, net	<u>\$ 13,212,539</u>					<u>\$ 9,437,211</u>

ALAMANCE COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2019 is composed of the following elements:

	Governmental Activities	Business-Type Activities
Capital assets	\$ 50,155,455	\$ 9,437,211
Total debt, gross	51,200,477	-
Long-term debt for assets not owned by the County	45,895,004	-
Capital related unspent debt proceeds	57,038	-
Total capital debt	5,248,435	-
Net investment in capital assets	\$ 44,907,020	\$ 9,437,211

Note 7. Accounts Payable and Accrued Liabilities

Payables and other accrued liabilities at the government-wide level at June 30, 2019, were as follows:

Governmental Activities:	
Vendors	\$ 2,132,562
Due to other governments	67,055
Accrued payroll and related liabilities	281,702
Accrued interest	695,199
Total governmental activities	\$ 3,176,518
 Business-Type Activities:	
Landfill vendors	\$ 133,895

Note 8. Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description. The County is a participating employer in the state-wide 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, 2019

House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The state's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2019, was 8.50% of compensation for law enforcement officers and 7.75% 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 \$3,291,220 for the year ended June 30, 2019.

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, 2019**

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

At June 30, 2019, the County reported a liability of \$15,355,933 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2018, the County's proportion was .647%, which was a decrease of .016% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$4,331,039. At June 30, 2019, 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	\$ 2,369,055	\$ 79,494
Changes of assumptions	4,074,872	-
Net difference between projected and actual earnings on pension plan investments	2,107,912	-
Changes in proportion and differences between County contributions and proportionate share of contributions	152,067	140,730
County contributions subsequent to the measurement date	<u>3,291,220</u>	<u>-</u>
Total	<u>\$ 11,995,126</u>	<u>\$ 220,224</u>

\$3,291,220 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, 2020. 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>
2020	\$ 4,142,880
2021	2,678,286
2022	473,838
2023	1,188,678
2024	-
Thereafter	<u>-</u>
Total	<u>\$ 8,483,682</u>

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Actuarial Assumptions. The total pension liability in the December 31, 2017 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 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 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, 2017 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, 2018 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, 2019

The information above is based on 30-year expectations developed with the consulting actuary for the 2018 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 7.00%. 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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease <u>(6.00%)</u>	Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
County's proportionate share of the net pension liability (asset)	<u>\$ 36,886,280</u>	<u>\$ 15,355,933</u>	<u>\$ (2,635,163)</u>

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

Law Enforcement Officers' Special Separation Allowance

Plan Description. Alamance County administers a public employee retirement system (the “Separation Allowance”), a single-employer defined benefit pension plan that provides retirement benefits to the County’s qualified sworn law enforcement officers 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, 2019

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2017, the Separation Allowance's membership consisted of:

Retirees receiving benefits	15
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>128</u>
Total	<u><u>143</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, 2017 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	3.64 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, 2019

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 \$201,949 as benefits came due.

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

At June 30, 2019, the County reported a total pension liability of \$4,099,774. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was rolled forward to December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the County recognized pension expense of \$421,908.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 543,435	\$ -
Changes of assumptions and other inputs	153,343	174,071
County benefit payments and administrative expenses made subsequent to the measurement date	155,382	-
Total	\$ 852,160	\$ 174,071

\$155,382 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	\$ 122,853
2021	122,853
2022	122,853
2023	112,874
2024	41,274
Thereafter	-
Total	\$ 522,707

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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 3.64 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 (2.64 percent) or 1-percentage-point higher 4.64 percent than the current rate:

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
Total pension liability	\$ 4,450,044	\$ 4,099,774	\$ 3,781,334

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

	2019
Beginning balance	\$ 3,599,354
Service cost	188,506
Interest	110,549
Difference between expected and actual experience	567,343
Changes of assumptions and other inputs	(164,029)
Benefit payments	(201,949)
Net change in total pension liability	\$ 4,099,774

Changes of Assumptions. Changes of assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.16% at December 31, 2017 to 3.64% at December 31, 2018.

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, 2017 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

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2019 were \$685,322 which consisted of \$432,522 from the County and \$252,800 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 non-contributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The state's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

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 \$13,532 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported an asset of \$260,950 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was

ALAMANCE COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2018, the County's proportion was 1.58%, which was an increase of 0.024% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$78,096. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,300	\$ 11,911
Changes of assumptions	12,273	-
Net difference between projected and actual earnings on pension plan investments	41,593	-
Changes in proportion and differences between County contributions and proportionate share of contributions	2,856	3,862
County contributions subsequent to the measurement date	13,532	-
Total	\$ 72,554	\$ 15,773

\$13,532 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, 2020. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	\$ 23,125
2021	1,408
2022	12,257
2023	6,459
2024	-
Thereafter	-
Total	\$ 43,249

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2017 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, 2018 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2018 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.

ALAMANCE COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

	1% Decrease <u>(2.75%)</u>	Discount Rate <u>(3.75%)</u>	1% Increase <u>(4.75%)</u>
County's proportionate share of the net pension liability (asset)	<u>\$ (205,745)</u>	<u>\$ (260,950)</u>	<u>\$ (307,506)</u>

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

Deferred Compensation Plan

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

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

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2017, 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, 2018, with an actuarial valuation date of December 31, 2017. 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)	\$ 15,355,933	\$ -	\$ (260,950)	\$ 15,094,983
Proportion of the net pension liability (asset)	0.64729%	N/A	1.57550%	-
Total pension liability	-	4,099,774	-	4,099,774
Pension expense	4,331,039	421,908	78,096	4,831,043

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	LEOSSA	ROD	Total
Deferred Outflows of Resources:				
Differences between expected and actual experience	\$ 2,369,055	\$ 543,435	\$ 2,300	\$ 2,914,790
Changes of assumptions	4,074,872	153,343	12,273	4,240,488
Net difference between projected and actual earnings on pension plan investments	2,107,912	-	41,593	2,149,505
Changes in proportion and differences between County contributions and proportionate share of contributions	152,067	-	2,856	154,923
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	3,291,220	155,382	13,532	3,460,134
Total	\$11,995,126	\$ 852,160	\$ 72,554	\$12,919,840
Deferred Inflows of Resources:				
Differences between expected and actual experience	\$ 79,494	\$ -	\$ 11,911	\$ 91,405
Changes of assumptions	-	174,071	-	174,071
Changes in proportion and differences between County contributions and proportionate share of contributions	140,730	-	3,862	144,592
Total	\$ 220,224	\$ 174,071	\$ 15,773	\$ 410,068

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, 2019

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, 2018, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	464
Active plan members	<u>894</u>
Total	<u><u>1,358</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, 2019

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 \$72,303,652 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2018 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
Real wage growth	1.00 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation:	
General employees and firefighters	3.50%-7.75%
Law enforcement officers	3.50%-7.35%
Discount rate	3.89 percent
Healthcare cost trend rates:	
Pre-Medicare	7.25% for 2018 decreasing to an ultimate rate
Medicare	5.38% for 2018 decreasing to an ultimate rate of 4.75% by 2022
Dental	4.00 percent

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>Total OPEB Liability</u>
Balance at July 1, 2018	\$ 89,520,435
Changes for the year:	
Service cost	3,782,190
Interest	3,161,103
Differences between expected and actual experience	(18,625,097)
Changes of assumptions or other inputs	(4,071,374)
Benefit payments	<u>(1,463,605)</u>
Net changes	<u>(17,216,783)</u>
Balance at June 30, 2019	<u>\$ 72,303,652</u>

Changes in assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.56% to 3.89%.

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, 2019**

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2018 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, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 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 (2.89 percent) or 1-percentage-point higher (4.89 percent) than the current discount rate:

	1% Decrease (2.89%)	Discount Rate (3.89%)	1% Increase (4.89%)
Total OPEB liability	<u>\$ 86,112,610</u>	<u>\$ 72,303,652</u>	<u>\$ 61,557,629</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:

	1% Decrease	Current	1% Increase
Total OPEB liability	<u>\$ 60,703,195</u>	<u>\$ 72,303,652</u>	<u>\$ 87,499,990</u>

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

For the year ended June 30, 2019, the County recognized OPEB expense of \$1,715,562. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 16,561,227
Changes of assumptions	-	9,992,290
Benefit payments and plan administrative expense made subsequent to the measurement date	<u>1,892,289</u>	<u>-</u>
Total	<u>\$ 1,892,289</u>	<u>\$ 26,553,517</u>

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

\$1,892,289 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, 2020. Other amounts reported as deferred inflows and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending	
June 30	Total
2020	\$ (5,227,731)
2021	(5,227,731)
2022	(5,227,731)
2023	(5,227,731)
2024	(4,596,174)
Thereafter	<u>(1,046,419)</u>
Total	<u>\$ (26,553,517)</u>

Note 9. Closure and Post-Closure 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 post-closure 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 post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The \$9,990,167 reported for the Austin Quarter MSW Landfill Facility as landfill closure and post-closure care liability at June 30, 2019 represents a cumulative amount reported to date based on the use of 95.0% 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.

The \$1,791,978 reported for the Austin Quarter C&D Landfill Facility as landfill closure and post-closure care liability at June 30, 2019 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 2019. 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, 2019, the estimated closure and post-closure care liability for this facility amounted to \$508,760. 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, 2019

The total landfill closure and post-closure care liability for the County's landfills as of June 30, 2019 amounted to \$12,290,905.

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 10. Deferred Outflows and Inflows of Resources

Deferred outflows of resources are comprised of the following:

<u>Source</u>	<u>Amount</u>
Pension deferrals	\$ 12,919,840
OPEB deferrals	1,892,289
Unamortized bond refunding charges	467,505
Total	<u>\$ 15,279,634</u>

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

<u>Source</u>	<u>Amount</u>
Property taxes receivable (General Fund)	\$ 1,663,053
Property taxes receivable (Nonmajor Governmental Funds)	214,689
EMS receivable (General Fund)	1,303,019
Other receivables (General Fund)	1,210,048
Other receivables (Nonmajor Governmental Funds)	206,420
Pension deferrals	410,068
OPEB deferrals	26,553,517
Total	<u>\$ 31,560,814</u>

Note 11. Contingent Liabilities

At June 30, 2019, 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 12. 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, 2019

The following is a summary of the County's capital leases as of June 30, 2019:

<u>Date of Execution</u>	<u>Class of Property</u>	<u>Payment Duration (Years)</u>	<u>Annual Payment Amount</u>
January 1, 2014	Computer equipment	5	\$ 3,546
October 1, 2014	Computer equipment	5	9,779
July 1, 2015	Computer equipment	4	8,470
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
October 1, 2018	Computer equipment	4	9,723
October 1, 2018	Computer equipment	4	30,301
January 1, 2019	Computer equipment	3	38,016
April 1, 2019	Computer equipment	3	15,558
April 1, 2019	Computer equipment	5	3,201
Total			<u>\$ 1,301,559</u>

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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% of the property's estimated economic life which is a criteria for determining a capital lease.

Class of Property	Cost	Accumulated Depreciation	Net Book Value
Computer equipment	\$ 3,616,400	\$ 2,090,834	\$ 1,525,566

For Alamance County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 were as follows:

Year Ending June 30	Governmental Activities
2020	\$ 1,051,154
2021	649,023
2022	345,664
2023	104,950
Total minimum lease payments	2,150,791
Less: amount representing interest	532,192
Present value of the minum lease payments	<u>\$ 1,618,599</u>

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

	Governmental Activities
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%	\$ 344,827
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%	175,000
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%	2,410,380
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>166,667</u>
Total governmental activities	<u>\$ 3,096,874</u>

ALAMANCE COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

The County’s outstanding note from direct placements related to governmental activities of \$344,827 is secured by the jail. Upon default, the entire outstanding principal payments and all accrued interest shall be declared immediately due and payable. Upon failure to pay or make timely payments the lender shall proceed by appropriate court action and take possession of the mortgaged property.

The County’s outstanding note from direct placements related to governmental activities of \$175,000 is secured by the human services center. Upon default, the entire outstanding principal payments plus the interest of the next due installment payment shall be declared immediately due and payable. Upon failure to pay or make timely payments the lender shall proceed by appropriate court action and take possession of the mortgaged property.

The County’s outstanding note from direct placements related to governmental activities of \$2,410,380 is secured by radio equipment. Upon default, the entire outstanding principal payments shall be declared immediately due and payable. Upon failure to pay or make timely payments the lender shall proceed by appropriate court action and take possession of the equipment.

The County’s outstanding note from direct placements related to governmental activities of \$166,667 is secured by the parole/probation center. Upon default, the entire outstanding principal payments plus the interest of the next due installment payment shall be declared immediately due and payable. Upon failure to pay or make timely payments the lender shall proceed by appropriate court action and take possession of the mortgaged property.

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2020	\$ 1,048,273	\$ 59,880
2021	481,953	41,363
2022	435,658	31,500
2023	445,119	22,039
2024	454,789	12,372
2025	231,082	13,156
Total	\$ 3,096,874	\$ 180,310

Qualified School Construction Bonds

On September 15, 2010, the County issued \$8,298,202 in direct placement 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, 2019 was \$3,557,616.

The Qualified School Construction Bonds are secured by the career tech center. Upon default, the entire outstanding principal payments shall be declared immediately due and payable. Upon failure to pay or make timely payments the lender shall proceed by appropriate court action and take possession of the mortgaged property.

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 553,213	\$ 187,036
2021	553,213	158,869
2022	553,213	128,608
2023	553,213	98,348
2024	553,213	68,087
2025-2026	791,551	44,344
Total	<u>\$ 3,557,616</u>	<u>\$ 685,292</u>

General Obligation Indebtedness

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

Advance Refundings

On September 12, 2012, the County issued \$33,830,000 of general obligation advance refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust to be used for all future debt service payments of \$34,765,000 of general obligation bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. The par value of the defeased bonds at June 30, 2019 was \$24,700,000.

The County's general obligation bonds payable at June 30, 2019 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.	\$ 24,700,000
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>13,500,000</u>
Total general obligation bonds	<u>\$ 38,200,000</u>

In the event of a default, the County agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the County under the related agreements.

ALAMANCE COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

<u>Year Ending</u> <u>June 30</u>	<u>Government Activities</u>	
	<u>Principal</u>	<u>Interest</u>
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	5,055,000	662,875
2025-2029	7,255,000	1,214,625
2030-2034	4,125,000	4,295,794
2035-2036	1,525,000	55,625
Total	<u>\$ 38,200,000</u>	<u>\$ 10,954,619</u>

Recovery Zone Economic Development Bonds Indebtedness

As part of the American Recovery and Reinvestment Act of 2009 (ARRA), several new types of tax-exempt bonds and tax credit bonds were created under the Internal Revenue Code. At June 30, 2019, 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%. \$ 300,000

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%. 290,000

Total Recovery Zone Economic Development Bonds \$ 590,000

The \$300,000 direct placement Recovery Zone Economic Development Bonds are secured by the detention center. Upon default, the entire outstanding principal payments shall be declared immediately due and payable. Upon failure to pay or make timely payments the lender shall proceed by appropriate court action and take possession of the mortgaged property.

The \$290,000 direct placement Build America Bonds are secured by the detention center. Upon default, the entire outstanding principal payments shall be declared immediately due and payable. Upon failure to pay or make timely payments the lender shall proceed by appropriate court action and take possession of the mortgaged property.

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

Year Ending June 30	Governmental Activities		Interest Rebate	Interest Cost After Rebate
	Principal	Interest		
2020	\$ 590,000	\$ 23,939	\$ 9,596	\$ 14,343

The following is a summary of changes in the County's long-term obligations as of June 30, 2019:

	July 1, 2018	Additions	Retirements	June 30, 2019	Due In Less Than One Year
Governmental Activities:					
General obligation debt	\$ 43,280,000	\$ -	\$ 5,080,000	\$ 38,200,000	\$ 5,045,000
Premium on general obligation bonds	4,652,174	-	514,786	4,137,388	514,786
Direct Placement Qualified School Construction Bonds	4,110,829	-	553,213	3,557,616	553,213
Direct Placement Recovery bonds	1,180,000	-	590,000	590,000	590,000
Capitalized leases	2,336,724	277,969	996,094	1,618,599	893,481
Direct Placement Installment loans	4,656,105	-	1,559,231	3,096,874	1,048,273
Total pension liability (LEOSSA)	3,599,354	702,369	201,949	4,099,774	-
Net pension liability (LGERS)	9,928,024	5,120,790	-	15,048,814	-
Compensated absences	2,910,020	2,005,438	1,600,511	3,314,947	1,823,221
Total OPEB liability	87,730,026	-	16,872,447	70,857,579	-
Total governmental activities	\$ 164,383,256	\$ 8,106,566	\$ 27,968,231	\$ 144,521,591	\$ 10,467,974
	July 1, 2018	Additions	Retirements	June 30, 2019	Due In Less Than One Year
Business-Type Activities:					
Accrued landfill closure and post-closure care cost	\$ 11,432,160	\$ 858,745	\$ -	\$ 12,290,905	\$ -
Compensated absences	63,386	45,213	34,862	73,738	40,555
Net pension liability (LGERS)	202,613	104,506	-	307,119	-
Total OPEB liability	1,790,409	-	344,336	1,446,073	-
Total business-type activities	\$ 13,488,568	\$ 1,008,464	\$ 379,198	\$ 14,117,835	\$ 40,555

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 \$1,103,188,890 at June 30, 2019.

ALAMANCE COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019, there were two series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$600,000.

Note 13. Interfund Balances and Activity

Due From/To Other Funds

Interfund balances are summarized below:

	Interfund Loans		Reason
	From	To	
General Fund	\$ 206,420	\$ -	Cash advance
Nonmajor Governmental Funds:			
Grant Special Revenue Fund	\$ -	\$ 206,420	Cash advance

Transfers To/From Other Funds

Transfers in (out) for the year ended June 30, 2019 are summarized below:

	Interfund Transfers	
	From	To
General Fund	\$ 4,308,905	\$ 452,331
Major Schools Capital Project Fund	447,049	-
Major Renovation and Repair Capital Project Fund	-	250,000
Nonmajor Special Revenue Funds	-	67,805
Nonmajor Capital Project Funds	5,282	4,102,366
Property Insurance Internal Service Fund	111,266	-
Total interfund transfers	\$ 4,872,502	\$ 4,872,502

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Transfers from the School Capital Project Fund to the General Fund were for payment of school bond debt service. Other General Fund transfers to other funds were advancements for grant and fund related expenditures. The transfer from the Property Insurance Internal Service Fund to the General Fund was to close the Property Insurance Fund.

Note 14. 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 \$1,103,252 during the fiscal year ended June 30, 2019.

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 \$3,299,339 and \$440,000 to the Community College for operating and repair and maintenance, respectively, during the fiscal year ended June 30, 2019. 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, 2019. 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 \$39,401 to the Council during the fiscal year ended June 30, 2019.

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.

ALAMANCE COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2019.

Note 15. 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 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 \$337,00 reported in the Fund at June 30, 2019 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, 2019**

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
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
2019	218,912	7,380,276	(7,262,188)	337,000

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 16. Summary Disclosure of Significant Contingencies

Federal and State-Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant 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 17. Restatement

In prior periods, errors related to the depreciation of capital assets in Governmental Activities and in the Landfill Fund were discovered. Beginning balances were restated by \$4,299,841 and \$3,562,566, respectively.

Note 18. Subsequent Event

On October 10, 2019, Alamance County finalized an installment loan for \$1,544,218 for various vehicles, equipment, and E-911 communications project.

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 THREE FISCAL YEARS**

Law Enforcement Officers' Special Separation Allowance

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 3,599,354	\$ 3,141,424	\$ 3,113,201
Service cost	188,506	151,650	147,324
Interest on the total pension liability	110,549	117,996	108,458
Difference between expected and actual experience in the measurement of the total pension liability	567,343	120,427	-
Changes in assumptions or other inputs	(164,029)	236,909	(77,222)
Benefit payments	<u>(201,949)</u>	<u>(169,052)</u>	<u>(150,337)</u>
Ending balance of the total pension liability	<u>\$ 4,099,774</u>	<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 THREE FISCAL YEARS**

Law Enforcement Officers' Special Separation Allowance

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 4,099,774	\$ 3,599,354	\$ 3,141,424
Covered payroll	6,726,201	6,338,264	5,510,031
Total pension liability as a percentage of covered payroll	60.95%	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
 LAST TWO FISCAL YEARS**

Other Post-Employment Benefits

	<u>2019</u>	<u>2018</u>
Service cost	\$ 3,782,190	\$ 4,308,669
Interest	3,161,103	2,814,721
Differences between expected and actual experience	(18,625,097)	(1,286,433)
Changes of assumptions or other inputs	(4,071,374)	(9,417,733)
Benefit payments	<u>(1,463,605)</u>	<u>(816,172)</u>
Net change in total OPEB liability	(17,216,783)	(4,396,948)
Total OPEB liability - beginning	<u>89,520,435</u>	<u>93,917,383</u>
Total OPEB liability - ending	<u>\$ 72,303,652</u>	<u>\$ 89,520,435</u>
Covered payroll	\$ 39,125,304	\$ 41,382,216
Total OPEB liability as a percentage of covered payroll	184.80%	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>
2019	3.89%
2018	3.56%

ALAMANCE COUNTY, NORTH CAROLINA

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

Local Government Employees' Retirement System						
	2019	2018	2017	2016	2015	2014
Alamance's proportion of the net pension liability (asset) (%)	0.64729%	0.66312%	0.63996%	0.61599%	0.59339%	0.614800%
Alamance's proportion of the net pension liability (asset) (\$)	\$ 15,355,933	\$ 10,130,637	\$ 13,582,095	\$ 2,764,526	\$ (3,499,497)	\$ 7,410,701
Alamance's covered payroll	\$ 41,563,134	\$ 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 payroll	36.95%	24.85%	35.04%	7.40%	(9.76%)	21.21%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	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 SIX FISCAL YEARS*Local Government Employees' Retirement System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,291,220	\$ 3,165,830	\$ 2,999,501	\$ 2,619,549	\$ 2,150,580	\$ 2,093,085
Contributions in relation to the contractually required contribution	<u>3,291,220</u>	<u>3,165,830</u>	<u>2,999,501</u>	<u>2,619,549</u>	<u>2,150,580</u>	<u>2,093,085</u>
Contribution deficiency (excess)	<u>\$ -</u>					
Alamance County's covered payroll	\$ 41,960,207	\$ 41,563,134	\$ 40,774,203	\$ 38,765,701	\$ 37,352,331	\$ 35,862,828
Contributions as a percentage of covered payroll	7.84%	7.62%	7.36%	6.76%	5.76%	5.84%

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

ALAMANCE COUNTY, NORTH CAROLINA

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

Register of Deeds' Supplemental Pension Fund

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	1.576%	1.552%	1.588%	1.573%	3.604%	2.955%
County's proportionate share of the net pension liability (asset)	\$ (260,950)	\$ (264,834)	\$ (296,900)	\$ (364,440)	\$ (816,868)	\$ (631,154)
County's covered payroll	\$ 71,813	\$ 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 payroll	(363.37%)	(377.11%)	(482.20%)	(602.38%)	(1,514.91%)	(1,385.32%)
Plan fiduciary net position as a percentage of the total pension liability	153.31%	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 SIX FISCAL YEARS*Register of Deeds' Supplemental Pension Fund

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 13,532	\$ 13,483	\$ 13,480	\$ 11,682	\$ 12,583	\$ 29,424
Contributions in relation to the contractually required contribution	<u>13,532</u>	<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>					
County's covered payroll	\$ 72,237	\$ 71,813	\$ 70,228	\$ 61,572	\$ 60,500	\$ 53,922
Contributions as a percentage of covered payroll	18.73%	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, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes:				
Taxes, net of discounts	\$ 83,054,467	\$ 84,200,798	\$ 1,146,331	\$ 79,695,010
Penalties and interest	275,000	267,868	(7,132)	292,702
Total	83,329,467	84,468,666	1,139,199	79,987,712
Local option sales tax:				
Article 39 and 44	13,015,665	14,522,681	1,507,016	13,913,026
Article 40.5 percent	7,882,391	7,872,893	(9,498)	7,290,721
Article 42.5 percent	8,710,421	9,124,879	414,458	8,624,591
Total	29,608,477	31,520,453	1,911,976	29,828,338
Other taxes and licenses:				
Real estate transfer taxes	700,000	937,685	237,685	749,835
Privilege licenses	6,500	7,312	812	7,055
Local occupancy tax	945,000	962,310	17,310	903,641
Rental vehicle tax	208,985	168,870	(40,115)	195,833
Total	1,860,485	2,076,177	215,692	1,856,364
Unrestricted intergovernmental revenues:				
Beer and wine tax	260,000	263,802	3,802	259,939
Total	260,000	263,802	3,802	259,939
Restricted intergovernmental revenues:				
State	4,250,554	4,176,284	(74,270)	3,956,134
Federal	12,834,416	13,021,130	186,714	12,241,801
Court facilities fees	200,000	213,167	13,167	201,271
ABC bottle tax	35,000	44,833	9,833	41,764
Other	1,677,270	1,515,713	(161,557)	1,370,614
Total	18,997,240	18,971,127	(26,113)	17,811,584
Permits and fees:				
Building permits and inspection fees	825,000	928,590	103,590	847,113
Register of Deeds	785,000	738,696	(46,304)	760,763
Total	1,610,000	1,667,286	57,286	1,607,876

ALAMANCE COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018**

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Sales and services:				
Rents, concessions, and fees	2,810,421	2,501,783	(308,638)	5,031,206
Jail and Sheriff fees	3,891,045	4,802,689	911,644	3,804,876
Ambulance fees	4,896,000	5,107,629	211,629	5,103,772
Total	11,597,466	12,412,101	814,635	13,939,854
Investment Earnings	659,853	1,567,178	907,325	814,830
Miscellaneous	1,077,394	1,040,045	(37,349)	843,644
Total revenues	149,000,382	153,986,835	4,986,453	146,950,141
Expenditures:				
Current:				
General government:				
Governing body	240,719	225,292	15,427	241,847
County Manager	2,857,120	2,545,522	311,598	2,296,940
Administrative services/planning	192,736	134,444	58,292	130,632
Human Resources	607,997	576,565	31,432	481,789
Finance	1,248,499	1,186,029	62,470	1,181,800
Purchasing	87,865	85,652	2,213	93,236
Tax administration	2,657,693	2,588,438	69,255	2,200,959
GIS mapping	287,697	279,184	8,513	267,337
Legal	415,844	396,178	19,666	338,950
Facility fees	251,443	249,429	2,014	203,625
District Court Judges	1,600	533	1,067	598
Elections	880,517	673,221	207,296	685,051
Register of Deeds	853,498	709,567	143,931	802,499
Central services:				
Management information systems	4,027,731	3,322,097	705,634	4,324,620
Printing	83,548	39,636	43,912	43,975
Public buildings	2,255,774	2,188,193	67,581	2,286,768
Total	16,950,281	15,199,980	1,750,301	15,580,626

ALAMANCE COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018**

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Public safety:				
Judicial services	33,102	30,602	2,500	27,961
Sheriff	12,649,123	11,701,689	947,434	11,641,824
School Resource Officers	563,572	509,364	54,208	529,183
Stepping up initiative	96,032	50,790	45,242	82,162
County jail	11,940,230	11,144,673	795,557	9,645,827
Emergency management	201,009	194,316	6,693	188,607
Emergency service	423,524	397,121	26,403	383,726
Fire service	46,206	40,083	6,123	20,467
SARA management	229,191	181,071	48,120	100,035
Inspections	846,773	804,897	41,876	803,401
Emergency Medical Service	8,411,098	8,285,509	125,589	8,120,596
Animal shelter	468,749	468,748	1	436,274
Central communications	2,397,561	2,392,836	4,725	5,257,036
Paramedicine	34,500	18,305	16,195	-
Other	309,433	216,500	92,933	267,650
Total	<u>38,650,103</u>	<u>36,436,504</u>	<u>2,213,599</u>	<u>37,504,749</u>
Transportation:				
Transportation services	216,805	216,387	418	216,195
Airport	262,321	262,321	-	262,321
Total	<u>479,126</u>	<u>478,708</u>	<u>418</u>	<u>478,516</u>
Environmental protection	<u>83,044</u>	<u>79,488</u>	<u>3,556</u>	<u>68,340</u>
Economic and physical development:				
Industrial development	1,500,283	990,548	509,735	1,319,728
Cooperative Extension	364,832	361,718	3,114	355,675
Soil conservation	355,412	231,418	123,994	235,978
Tourism Development Authority	646,460	622,325	24,135	584,384
Other	674,993	282,298	392,695	700,037
Total	<u>3,541,980</u>	<u>2,488,307</u>	<u>1,053,673</u>	<u>3,195,802</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, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018**

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Human services:				
Health	8,344,846	7,777,295	567,551	7,817,859
WIC Program	785,000	763,117	21,883	766,156
Dental Clinic Program	1,129,014	970,792	158,222	1,469,435
Social Services	20,540,056	17,951,648	2,588,408	18,912,193
Home and Community Care	1,228,134	1,207,233	20,901	1,120,419
Veterans Service Office	205,627	199,702	5,925	195,569
Office of Juvenile Justice Programs	330,218	313,934	16,284	322,107
Mental Health Authority	1,220,595	1,107,822	112,773	1,172,970
Other	534,706	358,791	175,915	208,728
Total	<u>34,318,196</u>	<u>30,650,334</u>	<u>3,667,862</u>	<u>31,985,436</u>
Cultural and recreational:				
Recreation	2,199,301	1,863,347	335,954	2,503,266
Library	2,930,513	2,695,859	234,654	2,880,489
Other	206,500	206,500	-	181,500
Total	<u>5,336,314</u>	<u>4,765,706</u>	<u>570,608</u>	<u>5,565,255</u>
Education:				
Alamance-Burlington School System:				
Current expense	42,463,142	42,463,142	-	40,681,907
Repair and maintenance	1,000,000	1,000,000	-	1,000,000
Alamance Community College:				
Current expense	3,299,339	3,299,339	-	3,223,202
Repair and maintenance	440,000	440,000	-	440,000
Total	<u>47,202,481</u>	<u>47,202,481</u>	<u>-</u>	<u>45,345,109</u>
Debt service:				
Principal retirement	7,782,445	7,782,444	1	7,474,945
Interest and fees	2,079,539	2,076,245	3,294	2,334,679
Total	<u>9,861,984</u>	<u>9,858,689</u>	<u>3,295</u>	<u>9,809,624</u>
Contingency	<u>37,024</u>	<u>-</u>	<u>37,024</u>	<u>-</u>
Total expenditures	<u>156,460,533</u>	<u>147,160,197</u>	<u>9,300,336</u>	<u>149,533,457</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, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Revenues over (under) expenditures	(7,460,151)	6,826,638	14,286,789	(2,583,316)
Other Financing Sources (Uses):				
Transfers from other funds:				
Capital project funds	447,049	447,049	-	450,368
Other funds	33,982	5,282	(28,700)	-
Transfers to other funds:				
Special revenue funds	(67,805)	(67,805)	-	(8,410)
Capital project funds	(4,352,366)	(4,352,366)	-	(1,799,519)
Internal service funds	111,266	111,266	-	-
Total net transfers	(3,827,874)	(3,856,574)	(28,700)	(1,357,561)
Long-term debt issued	-	-	-	3,019,810
Capital lease obligations issued	277,969	277,969	-	1,238,679
Appropriated fund balance	11,010,056	-	(11,010,056)	-
Total other financing sources (uses)	7,460,151	(3,578,605)	(11,038,756)	2,900,928
Net change in fund balance	\$ -	3,248,033	\$ 3,248,033	317,612
Reconciliation from Budgetary Basis to Modified Accrual:				
Long-term notes receivable		-		421,064
Payment from notes receivable		(60,152)		(30,076)
Net change in fund balance- modified accrual basis		3,187,881		708,600
Fund Balance:				
Beginning of year - July 1		48,710,222		48,001,622
End of year - June 30		\$ 51,898,103		\$ 48,710,222

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, 2019

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental:					
Public School Building Capital Fund Lottery	\$ 21,460,723	\$ 16,977,996	\$ 2,460,713	\$ 19,438,709	\$ (2,022,014)
Public School Capital Building Fund	14,034,455	32,810,997	-	32,810,997	18,776,542
Local funds	35,573	3,055,373	-	3,055,373	3,019,800
Total restricted intergovernmental	35,530,751	52,844,366	2,460,713	55,305,079	19,774,328
Investment earnings	3,776,936	3,950,507	-	3,950,507	173,571
Sales tax refund	577,254	577,254	-	577,254	-
Total revenues	39,884,941	57,372,127	2,460,713	59,832,840	19,947,899
Expenditures:					
B. Everett Jordan Elementary	1,426,414	1,340,620	67,676	1,408,296	18,118
E.M. Holt Elementary	107,205	2,019	100,947	102,966	4,239
Pleasant Grove Elementary	10,000	-	-	-	10,000
Sellers-Gunn Center	2,500	2,019	-	2,019	481
Southern Middle School	152,738	147,612	-	147,612	5,126
Garrett Elementary School	70,000	25,739	15,845	41,584	28,416
Five-Year Capital Improvement Plan	12,361,851	12,361,851	-	12,361,851	-
AO Elementary School	1,270,824	1,224,132	10,288	1,234,420	36,404
R Homer Andrews Elementary	168,990	151,394	-	151,394	17,596
Ray Street Academy	165,792	52,800	33,336	86,136	79,656
Alexander Wilson Elementary	292,449	85,408	127,200	212,608	79,841
EM Yoder Elementary	97,027	59,294	27,777	87,071	9,956
2006 Bond Reallocation projects	4,040,326	3,820,798	145,473	3,966,271	74,055
Cummings High School	1,220,754	184,210	858,192	1,042,402	178,352
Eastern High School	351,528	54,135	5,003	59,138	292,390
Elon Elementary	97,500	92,479	-	92,479	5,021
Graham High School	303,389	276,917	2,594	279,511	23,878
Southern High School	483,997	358,565	117,372	475,937	8,060
Western High School	519,676	469,682	2,345	472,027	47,649
Williams High School	99,921	57,221	5,012	62,233	37,688
Woodlawn Middle School	225,907	224,162	-	224,162	1,745
South Graham Elementary	222,700	63,919	147,945	211,864	10,836
Broadview Middle School	635,983	155,891	82,366	238,257	397,726
Graham Middle School	95,700	9,735	-	9,735	85,965
South Mebane Elementary	159,472	130,731	-	130,731	28,741
Grove Park Elementary	146,974	124,774	-	124,774	22,200
Smith Elementary	180,423	132,794	22,053	154,847	25,576
Turrentine Middle School	213,800	-	161,026	161,026	52,774
Capital reserve projects	1,869,796	-	1,301,183	1,301,183	568,613
Completed projects	158,457,993	157,553,938	179,382	157,733,320	724,673
School Bond interest costs	5,083,733	5,083,734	-	5,083,734	(1)
School debt issue costs	1,029,938	1,086,526	-	1,086,526	(56,588)
Total expenditures	191,565,300	185,333,099	3,413,015	188,746,114	2,819,186
Revenues over (under) expenditures	(151,680,359)	(127,960,972)	(952,302)	(128,913,274)	22,767,085

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, 2019

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Other Financing Sources (Uses):					
Transfers in:					
From General Fund	9,799,932	10,155,095	-	10,155,095	355,163
From County Buildings Capital Projects Fund	92,332	92,332	-	92,332	-
From Schools Capital Reserve Fund	30,088,334	30,088,335	-	30,088,335	1
Transfers out:					
To General Fund	(17,583,717)	(17,136,668)	(447,049)	(17,583,717)	-
To Schools Capital Reserve Fund	(3,785,784)	(3,785,784)	-	(3,785,784)	-
Long-term debt issued	165,714,390	143,394,320	-	143,394,320	(22,320,070)
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>151,680,359</u>	<u>130,162,503</u>	<u>(447,049)</u>	<u>129,715,454</u>	<u>(21,964,905)</u>
Net change in fund balance	\$ -	\$ 2,201,531	(1,399,351)	\$ 802,180	\$ 802,180
Fund Balance:					
Beginning of year - July 1			<u>2,201,531</u>		
End of year - June 30			<u>\$ 802,180</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, 2019

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Investment earnings - Group A	\$ 20,859	\$ 22,577	\$ -	\$ 22,577	\$ 1,718
Investment earnings - Group B	17,757	20,821	-	20,821	3,064
Total revenues	38,616	43,398	-	43,398	4,782
Expenditures:					
Renovation/Repair:					
Professional services	14,235	14,235	-	14,235	-
Architect	25,375	25,375	-	25,375	-
Capital outlay - other improvements	219,502	642	-	642	218,860
Total renovation/repair	259,112	40,252	-	40,252	218,860
Mebane Tower Site:					
Construction	81,205	81,205	-	81,205	-
Total Mebane Tower Site	81,205	81,205	-	81,205	-
Rescue:					
Construction	22,436	22,436	-	22,436	-
Total rescue	22,436	22,436	-	22,436	-
Fire Alarm System:					
Construction	78,672	78,672	-	78,672	-
Total fire alarm system	78,672	78,672	-	78,672	-
Graham Manor:					
Contracted services	223,638	223,638	-	223,638	-
Total Graham Manor	223,638	223,638	-	223,638	-
Roof Repairs:					
Roof repairs	29,900	29,900	-	29,900	-
Total roof repairs	29,900	29,900	-	29,900	-
Civil Courtroom:					
Repairs	29,681	29,681	-	29,681	-
Total Civil Courtroom	29,681	29,681	-	29,681	-
Pine Street:					
Siding replacement	8,031	8,031	-	8,031	-
Total Pine Street	8,031	8,031	-	8,031	-

ALAMANCE COUNTY, NORTH CAROLINA

MAJOR RENOVATION AND REPAIR CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

	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	8,075	8,075	-	8,075	-
Total Rudd Street EMS Station	8,075	8,075	-	8,075	-
Human Services Parking:					
Construction	7,110	7,110	-	7,110	-
Total human services parking	7,110	7,110	-	7,110	-
Jail Pipes:					
Construction	11,084	11,084	-	11,084	-
Total jail pipes	11,084	11,084	-	11,084	-
Turrentine Street Fuel Pumps:					
Construction	3,084	3,084	-	3,084	-
Total Turrentine Street Fuel Pumps	3,084	3,084	-	3,084	-
Criminal Courts Compressor:					
Construction	10,996	10,996	-	10,996	-
Total Criminal Courts Compressor	10,996	10,996	-	10,996	-
Jail Valves:					
Construction	18,565	18,565	-	18,565	-
Total Jail Valves	18,565	18,565	-	18,565	-
Elections HVAC:					
Construction	12,650	12,650	-	12,650	-
Total Elections HVAC	12,650	12,650	-	12,650	-

ALAMANCE COUNTY, NORTH CAROLINA

MAJOR RENOVATION AND REPAIR CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

	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	248,120	248,120	-	248,120	-
Total Jail Roof	248,120	248,120	-	248,120	-
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	36,570	36,570	-	36,570	-
Total District Attorney	36,570	36,570	-	36,570	-

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, 2019

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Years	Current Year		
Court Services Roof:					
Construction	165,279	165,279	-	165,279	-
Total Court Services Roof	165,279	165,279	-	165,279	-
Maintenance Department Roof:					
Construction	28,900	28,900	-	28,900	-
Total Maintenance Department Roof	28,900	28,900	-	28,900	-
Old Jail Compressor:					
Construction	13,216	13,216	-	13,216	-
Total Old Jail Compressor	13,216	13,216	-	13,216	-
New Jail Shower Walls:					
Construction	29,900	29,900	-	29,900	-
Total New Jail Shower Walls	29,900	29,900	-	29,900	-
Old Jail Joint Repair:					
Construction	26,289	26,289	-	26,289	-
Total Old Jail Joint Repair	26,289	26,289	-	26,289	-
AG Building Alarm System:					
Construction	20,200	20,200	-	20,200	-
Total AG Building Alarm System	20,200	20,200	-	20,200	-
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	24,275	24,275	-	24,275	-
Total Purchasing HVAC	28,275	28,275	-	28,275	-
New Jail Gym Sprinklers:					
Construction	12,229	12,229	-	12,229	-
Total New Jail Gym Sprinklers	12,229	12,229	-	12,229	-

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, 2019

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Years	Current Year		
Boone Station EMS Roof Repairs:					
Construction	32,475	850	31,625	32,475	-
Total Boone Station EMS Roof Repairs	32,475	850	31,625	32,475	-
Crime Scene Investigation:					
Construction	780	780	-	780	-
Total Crime Scene Investigation	780	780	-	780	-
Cedarock - Office:					
Construction	12,899	12,899	-	12,899	-
Total Cedarock - 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	-
Cedarock - Boiler:					
Construction	16,475	16,475	-	16,475	-
Total Cedarock - 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	44,813	32,400	12,413	44,813	-
Total Roof Safety	44,813	32,400	12,413	44,813	-
COB Exterior Wall Sealing:					
Construction	38,037	-	38,037	38,037	-
Total COB Exterior Wall Sealing	38,037	-	38,037	38,037	-

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, 2019

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Civil Courts- HVAC:					
Construction	16,385	-	16,385	16,385	-
Total Civil Courts- HVAC	16,385	-	16,385	16,385	-
EMS Generator:					
Professional services	8,400	-	6,000	6,000	2,400
Total EMS Generator	8,400	-	6,000	6,000	2,400
Jail Air Handler Units:					
Construction	123,044	-	123,044	123,044	-
Total Jail Air Handler Units	123,044	-	123,044	123,044	-
Completed projects	9,003,513	9,003,513	-	9,003,513	-
Total expenditures	10,967,937	10,519,173	227,504	10,746,677	221,260
Revenues over (under) expenditures	(10,929,321)	(10,475,775)	(227,504)	(10,703,279)	226,042
Other Financing Sources (Uses):					
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	(838,079)	(809,971)	-	(809,971)	28,108
Transfers in	2,367,400	2,118,422	250,000	2,368,422	1,022
Total other financing sources (uses)	10,929,321	10,708,451	250,000	10,958,451	29,130
Net change in fund balance	\$ -	\$ 232,676	22,496	\$ 255,172	\$ 255,172
Fund Balance:					
Beginning of year - July 1			232,676		
End of year - June 30			\$ 255,172		

NONMAJOR GOVERNMENTAL FUNDS

ALAMANCE COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

	Special Revenue Funds			
	Emergency Telephone System Fund	Fire Districts Funds	Grant Fund	Total
Assets:				
Cash and cash equivalents	\$ 1,065,716	\$ 77,350	\$ -	\$ 1,143,066
Taxes receivable, net	-	214,689	-	214,689
Accounts receivable, net	66,033	-	-	66,033
Due from other governments	-	-	206,420	206,420
Restricted cash and cash equivalents	-	-	-	-
Total assets	<u>\$ 1,131,749</u>	<u>\$ 292,039</u>	<u>\$ 206,420</u>	<u>\$ 1,630,208</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 13,223	\$ 77,350	\$ -	\$ 90,573
Due to other funds	-	-	206,420	206,420
Total liabilities	<u>13,223</u>	<u>77,350</u>	<u>206,420</u>	<u>296,993</u>
Deferred Inflows of Resources:				
Taxes receivable	-	214,689	-	214,689
Other accounts receivable	-	-	206,420	206,420
Total deferred inflows of resources	<u>-</u>	<u>214,689</u>	<u>206,420</u>	<u>421,109</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	66,033	-	-	66,033
Restricted, all other	1,052,493	-	-	1,052,493
Committed	-	-	-	-
Unassigned	-	-	(206,420)	(206,420)
Total fund balances	<u>1,118,526</u>	<u>-</u>	<u>(206,420)</u>	<u>912,106</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,131,749</u>	<u>\$ 292,039</u>	<u>\$ 206,420</u>	<u>\$ 1,630,208</u>

ALAMANCE COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

	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	Rudd Street Building Fund		
Assets:							
Cash and cash equivalents	\$ 4,164,126	\$ 1,200,000	\$ 345,202	\$ -	\$ 3,200,000	\$ 8,909,328	\$ 10,052,394
Taxes receivable, net	-	-	-	-	-	-	214,689
Accounts receivable, net	-	-	-	-	-	-	66,033
Due from other governments	-	-	-	2,065	-	2,065	208,485
Restricted cash and cash equivalents	-	-	-	42,819	-	42,819	42,819
Total assets	\$ 4,164,126	\$ 1,200,000	\$ 345,202	\$ 44,884	\$ 3,200,000	\$ 8,954,212	\$ 10,584,420
Liabilities, Deferred Inflows of Resources, and Fund Balances:							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,573
Due to other funds	-	-	-	-	-	-	206,420
Total liabilities	-	-	-	-	-	-	296,993
Deferred Inflows of Resources:							
Taxes receivable	-	-	-	-	-	-	214,689
Other accounts receivable	-	-	-	-	-	-	206,420
Total deferred inflows of resources	-	-	-	-	-	-	421,109
Fund Balances:							
Restricted:							
Stabilization by state statute	-	-	-	2,065	-	2,065	68,098
Restricted, all other	-	-	-	42,819	3,200,000	3,242,819	4,295,312
Committed	4,164,126	1,200,000	345,202	-	-	5,709,328	5,709,328
Unassigned	-	-	-	-	-	-	(206,420)
Total fund balances	4,164,126	1,200,000	345,202	44,884	3,200,000	8,954,212	9,866,318
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,164,126	\$ 1,200,000	\$ 345,202	\$ 44,884	\$ 3,200,000	\$ 8,954,212	\$ 10,584,420

ALAMANCE COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Special Revenue Funds</u>			
	<u>Emergency Telephone System Fund</u>	<u>Fire Districts Funds</u>	<u>Grant Fund</u>	<u>Total</u>
Revenues:				
Ad valorem taxes	\$ -	\$ 5,546,238	\$ -	\$ 5,546,238
Restricted intergovernmental Contributions	788,057	-	-	788,057
Investment earnings	24,506	-	-	24,506
Total revenues	<u>812,563</u>	<u>5,546,238</u>	<u>-</u>	<u>6,358,801</u>
Expenditures:				
Current:				
Public safety	778,584	5,546,238	206,420	6,531,242
Total expenditures	<u>778,584</u>	<u>5,546,238</u>	<u>206,420</u>	<u>6,531,242</u>
Revenues over (under) expenditures	<u>33,979</u>	<u>-</u>	<u>(206,420)</u>	<u>(172,441)</u>
Other Financing Sources (Uses):				
Transfers in	67,805	-	-	67,805
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>67,805</u>	<u>-</u>	<u>-</u>	<u>67,805</u>
Net change in fund balances	101,784	-	(206,420)	(104,636)
Fund Balances:				
Beginning of year - July 1	<u>1,016,742</u>	<u>-</u>	<u>-</u>	<u>1,016,742</u>
End of year - June 30	<u>\$ 1,118,526</u>	<u>\$ -</u>	<u>\$ (206,420)</u>	<u>\$ 912,106</u>

ALAMANCE COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	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	Rudd Street Building Fund		
Revenues:							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,546,238
Restricted intergovernmental	-	-	-	-	-	-	788,057
Contributions	-	-	-	-	3,200,000	3,200,000	3,200,000
Investment earnings	29,789	-	2,695	-	-	32,484	56,990
Total revenues	29,789	-	2,695	-	3,200,000	3,232,484	9,591,285
Expenditures:							
Current:							
Public safety	-	-	-	-	-	-	6,531,242
Total expenditures	-	-	-	-	-	-	6,531,242
Revenues over (under) expenditures	29,789	-	2,695	-	3,200,000	3,232,484	3,060,043
Other Financing Sources (Uses):							
Transfers in	4,102,366	-	-	-	-	4,102,366	4,170,171
Transfers out	(5,282)	-	-	-	-	(5,282)	(5,282)
Total other financing sources (uses)	4,097,084	-	-	-	-	4,097,084	4,164,889
Net change in fund balances	4,126,873	-	2,695	-	3,200,000	7,329,568	7,224,932
Fund Balances:							
Beginning of year - July 1	37,253	1,200,000	342,507	44,884	-	1,624,644	2,641,386
End of year - June 30	\$ 4,164,126	\$ 1,200,000	\$ 345,202	\$ 44,884	\$ 3,200,000	\$ 8,954,212	\$ 9,866,318

Alamance County, North Carolina
Financial Statements and Schedules

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NONMAJOR SPECIAL REVENUE FUNDS

ALAMANCE COUNTY, NORTH CAROLINA

GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

	<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>	
Revenues:					
Restricted Intergovernmental:					
FJC Governor's Crime Commission	\$ 756,176	\$ -	\$ -	\$ -	\$ (756,176)
Total revenues	<u>756,176</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(756,176)</u>
Expenditures:					
FJC Governor's Crime Commission:					
Operating expenditures	714,926	-	206,420	206,420	508,506
Capital outlay	41,250	-	-	-	41,250
Total FJC Governor's Crime Commission expenditures	<u>756,176</u>	<u>-</u>	<u>206,420</u>	<u>206,420</u>	<u>549,756</u>
Total expenditures	<u>756,176</u>	<u>-</u>	<u>206,420</u>	<u>206,420</u>	<u>549,756</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(206,420)</u>	<u>\$ (206,420)</u>	<u>\$ (206,420)</u>
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			<u>\$ (206,420)</u>		

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, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018**

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental	\$ 799,206	\$ 788,057	\$ (11,149)	\$ 578,436
Investment earnings	-	24,506	24,506	12,860
Total revenues	<u>799,206</u>	<u>812,563</u>	<u>13,357</u>	<u>591,296</u>
Expenditures:				
Implemental functions	145,000	142,441	2,559	140,979
Telephone	344,655	77,964	266,691	169,695
Software maintenance	372,623	262,837	109,786	98,020
Hardware maintenance	278,000	276,766	1,234	235,000
Training	26,000	18,576	7,424	5,197
Total expenditures	<u>1,166,278</u>	<u>778,584</u>	<u>387,694</u>	<u>648,891</u>
Revenues over (under) expenditures	<u>(367,072)</u>	<u>33,979</u>	<u>401,051</u>	<u>(57,595)</u>
Other Financing Sources (Uses):				
Transfer from General Fund	67,805	67,805	-	8,410
Appropriated fund balance	<u>299,267</u>	<u>-</u>	<u>(299,267)</u>	<u>-</u>
Total other financing sources (uses)	<u>367,072</u>	<u>67,805</u>	<u>(299,267)</u>	<u>8,410</u>
Net change in fund balance	<u>\$ -</u>	<u>101,784</u>	<u>\$ 101,784</u>	<u>(49,185)</u>
Fund Balance:				
Beginning of year - July 1		<u>1,016,742</u>		<u>1,065,927</u>
End of year - June 30		<u>\$ 1,118,526</u>		<u>\$ 1,016,742</u>

**PSAP RECONCILIATION
 JUNE 30, 2019**

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	\$ 101,784
Cumulative current and prior period revenues and expenditures not reported in the fund (difference in beginning fund balance - budget to actual vs. PSAP report)	(218,816)
Revenue received that should have not been reported on the Budget to Actual (ECATS expense was reimbursement and not included in PSAP revenue)	
Beginning balance, PSAP revenue-expenditure report	<u>974,074</u>
Ending balance, PSAP revenue-expenditure report	<u>\$ 857,042</u>

ALAMANCE COUNTY, NORTH CAROLINA

FIRE DISTRICTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

	<u>Swepsonville Fund</u>	<u>54 East Fund</u>	<u>Elon Fire / Rescue Fund</u>	<u>Faucette Fund</u>	<u>North Eastern Alamance Fund</u>	<u>North Central Alamance Fund</u>
Assets:						
Cash and cash equivalents	\$ 11,181	\$ 4,827	\$ 2,876	\$ 7,857	\$ 7,423	\$ 1,816
Taxes receivable, net	<u>21,442</u>	<u>12,387</u>	<u>7,705</u>	<u>19,541</u>	<u>21,624</u>	<u>1,401</u>
Total assets	<u>\$ 32,623</u>	<u>\$ 17,214</u>	<u>\$ 10,581</u>	<u>\$ 27,398</u>	<u>\$ 29,047</u>	<u>\$ 3,217</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable	\$ 11,179	\$ 4,829	\$ 3,252	\$ 7,480	\$ 7,422	\$ 1,815
Deferred Inflows of Resources:						
Taxes receivable	<u>21,444</u>	<u>12,385</u>	<u>7,329</u>	<u>19,918</u>	<u>21,625</u>	<u>1,402</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 32,623</u>	<u>\$ 17,214</u>	<u>\$ 10,581</u>	<u>\$ 27,398</u>	<u>\$ 29,047</u>	<u>\$ 3,217</u>

ALAMANCE COUNTY, NORTH CAROLINA

FIRE DISTRICTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

	<u>Eli Whitney/87 South Fund</u>	<u>E.M. Holt Fund</u>	<u>Altamahaw- Ossipee Fund</u>	<u>East Alamance Fund</u>	<u>Haw River Fund</u>	<u>Snow Camp Fund</u>	<u>Total</u>
Assets:							
Cash and cash equivalents	\$ 4,765	\$ 9,575	\$ 8,082	\$ 8,376	\$ 5,780	\$ 4,792	\$ 77,350
Taxes receivable, net	14,159	30,023	18,901	16,178	19,855	31,473	214,689
Total assets	<u>\$ 18,924</u>	<u>\$ 39,598</u>	<u>\$ 26,983</u>	<u>\$ 24,554</u>	<u>\$ 25,635</u>	<u>\$ 36,265</u>	<u>\$ 292,039</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:							
Liabilities:							
Accounts payable	\$ 4,766	\$ 9,575	\$ 8,080	\$ 8,376	\$ 5,781	\$ 4,793	\$ 77,348
Deferred Inflows of Resources:							
Taxes receivable	14,158	30,023	18,903	16,178	19,854	31,472	214,691
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,924</u>	<u>\$ 39,598</u>	<u>\$ 26,983</u>	<u>\$ 24,554</u>	<u>\$ 25,635</u>	<u>\$ 36,265</u>	<u>\$ 292,039</u>

ALAMANCE COUNTY, NORTH CAROLINA

FIRE DISTRICTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	<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>
Revenues:						
Ad valorem taxes:						
Taxes	\$ 780,547	\$ 399,547	\$ 298,385	\$ 475,838	\$ 360,915	\$ 150,679
Penalties and interest	<u>3,241</u>	<u>1,221</u>	<u>943</u>	<u>1,552</u>	<u>2,769</u>	<u>456</u>
Total revenues	<u>783,788</u>	<u>400,768</u>	<u>299,328</u>	<u>477,390</u>	<u>363,684</u>	<u>151,135</u>
Expenditures:						
Current:						
Public safety	<u>783,788</u>	<u>400,768</u>	<u>299,328</u>	<u>477,390</u>	<u>363,684</u>	<u>151,135</u>
Total expenditures	<u>783,788</u>	<u>400,768</u>	<u>299,328</u>	<u>477,390</u>	<u>363,684</u>	<u>151,135</u>
Net change in fund balance	-	-	-	-	-	-
Fund Balances:						
Beginning of year - July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ALAMANCE COUNTY, NORTH CAROLINA

FIRE DISTRICTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	Eli Whitney/87 South Fund	E.M. Holt Fund	Altamahaw- Ossipee Fund	East Alamance Fund	Haw River Fund	Snow Camp Fund	Total
Revenues:							
Ad valorem taxes:							
Taxes	\$ 397,702	\$ 840,576	\$ 606,060	\$ 461,398	\$ 276,732	\$ 473,841	\$ 5,522,220
Penalties and interest	1,971	2,686	2,052	2,082	1,813	3,232	24,018
Total revenues	<u>399,673</u>	<u>843,262</u>	<u>608,112</u>	<u>463,480</u>	<u>278,545</u>	<u>477,073</u>	<u>5,546,238</u>
Expenditures:							
Current:							
Public safety	399,673	843,262	608,112	463,480	278,545	477,073	5,546,238
Total expenditures	<u>399,673</u>	<u>843,262</u>	<u>608,112</u>	<u>463,480</u>	<u>278,545</u>	<u>477,073</u>	<u>5,546,238</u>
Net change in fund balance	-	-	-	-	-	-	-
Fund Balances:							
Beginning of year - July 1	-	-	-	-	-	-	-
End of year - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ALAMANCE COUNTY, NORTH CAROLINA

FIRE DISTRICTS FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

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

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes:				
Sweptonville	\$ 783,788	\$ 783,788	\$ -	\$ 750,902
54 East	400,768	400,768	-	321,071
Elon Fire/Rescue	299,328	299,328	-	299,754
Faucette	477,390	477,390	-	474,116
North Eastern Alamance	363,684	363,684	-	335,985
North Central Alamance	151,135	151,135	-	147,668
Eli Whitney/87 South	399,673	399,673	-	390,862
E.M. Holt	843,262	843,262	-	809,453
Altamahaw-Ossipee	608,112	608,112	-	594,885
East Alamance	463,480	463,480	-	460,213
Haw River	278,545	278,545	-	275,037
Snow Camp	477,073	477,073	-	468,202
Total revenues	<u>5,546,238</u>	<u>5,546,238</u>	<u>-</u>	<u>5,328,148</u>
Expenditures:				
Current:				
Public safety:				
Sweptonville	783,788	783,788	-	750,902
54 East	400,768	400,768	-	321,071
Elon Fire/Rescue	299,328	299,328	-	299,754
Faucette	477,390	477,390	-	474,116
North Eastern Alamance	363,684	363,684	-	335,985
North Central Alamance	151,135	151,135	-	147,668
Eli Whitney/87 South	399,673	399,673	-	390,862
E.M. Holt	843,262	843,262	-	809,453
Altamahaw-Ossipee	608,112	608,112	-	594,885
East Alamance	463,480	463,480	-	460,213
Haw River	278,545	278,545	-	275,037
Snow Camp	477,073	477,073	-	468,202
Total expenditures	<u>5,546,238</u>	<u>5,546,238</u>	<u>-</u>	<u>5,328,148</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
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, 2019

	<u>Schools Fund</u>	<u>County Buildings Fund</u>	<u>Alamance Community College Fund</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 4,145,678	\$ 18,299	\$ 149	\$ 4,164,126
Total assets	<u>\$ 4,145,678</u>	<u>\$ 18,299</u>	<u>\$ 149</u>	<u>\$ 4,164,126</u>
Fund Balances:				
Committed	\$ 4,145,678	\$ 18,299	\$ 149	\$ 4,164,126
Total fund balances	<u>\$ 4,145,678</u>	<u>\$ 18,299</u>	<u>\$ 149</u>	<u>\$ 4,164,126</u>

ALAMANCE COUNTY, NORTH CAROLINA

CAPITAL RESERVE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Schools Fund</u>	<u>County Buildings Fund</u>	<u>Alamance Community College Fund</u>	<u>Total</u>
Revenues:				
Investment earnings	\$ 29,220	\$ 441	\$ 128	\$ 29,789
Other Financing Sources (Uses):				
Transfers in	4,102,366	-	-	4,102,366
Transfers (out)	<u>-</u>	<u>-</u>	<u>(5,282)</u>	<u>(5,282)</u>
Total other financing sources (uses)	<u>4,102,366</u>	<u>-</u>	<u>(5,282)</u>	<u>4,097,084</u>
Net change in fund balances	4,131,586	441	(5,154)	4,126,873
Fund Balance:				
Beginning of year - July 1	<u>14,092</u>	<u>17,858</u>	<u>5,303</u>	<u>37,253</u>
End of year - June 30	<u>\$ 4,145,678</u>	<u>\$ 18,299</u>	<u>\$ 149</u>	<u>\$ 4,164,126</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, 2019

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

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings:				
Schools	\$ 1,000	\$ 29,220	\$ 28,220	\$ 14,090
County buildings	1,000	441	(559)	215
Alamance Community College	1,000	128	(872)	64
Total revenues	<u>3,000</u>	<u>29,789</u>	<u>26,789</u>	<u>14,369</u>
Other Financing Sources (Uses):				
Schools:				
Transfer from General Fund	4,102,366	4,102,366	-	1,549,519
Transfer to Schools Capital Project Fund	(700,000)	-	700,000	(1,869,796)
Transfer to Alamance Community College	(1,000)	-	1,000	-
Transfer to other funds	(3,403,366)	-	3,403,366	-
Alamance Community College:				
Transfer to General Fund	(5,282)	(5,282)	-	-
County Building:				
Transfer to other funds	(1,000)	-	1,000	-
Appropriated fund balance:				
County buildings	<u>5,282</u>	<u>-</u>	<u>(5,282)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,000)</u>	<u>4,097,084</u>	<u>4,100,084</u>	<u>(320,277)</u>
Net change in fund balance	<u>\$ -</u>	<u>4,126,873</u>	<u>\$ 4,126,873</u>	<u>(305,908)</u>
Fund Balance:				
Beginning of year - July 1		<u>37,253</u>		<u>343,161</u>
End of year - June 30		<u>\$ 4,164,126</u>		<u>\$ 37,253</u>

ALAMANCE COUNTY, NORTH CAROLINA

**RUDD STREET BUILDING CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Revenues:					
Contributions	\$ 3,000,000	\$ -	\$ 3,200,000	\$ 3,200,000	\$ 200,000
Expenditures:					
Capital outlay - other improvements	3,000,000	-	-	-	(3,000,000)
Net change in fund balance	\$ -	\$ -	3,200,000	\$ 3,200,000	\$ 3,200,000
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			\$ 3,200,000		

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, 2019**

	<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>	
Revenues:					
Contributions	\$ 1,200,000	\$ 1,200,000	\$ -	\$ 1,200,000	\$ -
Expenditures:					
Capital outlay - other improvements	1,200,000	-	-	-	(1,200,000)
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,200,000</u>	-	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>
Fund Balance:					
Beginning of year - July 1			<u>1,200,000</u>		
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, 2019**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Revenues:					
Investment earnings	\$ 533,000	\$ 579,105	\$ 2,695	\$ 581,800	\$ 48,800
Expenditures:					
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	15,967,762	-	15,967,762	(2,482,497)
Total expenditures	29,316,291	29,019,889	-	29,019,889	296,402
Revenues over (under) expenditures	(28,783,291)	(28,440,784)	2,695	(28,438,089)	345,202
Other Financing Sources (Uses):					
Transfers in:					
From General Fund	1,744,500	1,744,500	-	1,744,500	-
From ACC Capital Reserve Fund	670,000	670,000	-	670,000	-
Transfers out:					
To General Fund	(1,744,500)	(1,744,500)	-	(1,744,500)	-
Bonds issued	27,045,529	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	\$ -	\$ 342,507	2,695	\$ 345,202	\$ 345,202
Fund Balance:					
Beginning of year - July 1			342,507		
End of year - June 30			\$ 345,202		

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, 2019

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

Alamance County, North Carolina
Financial Statements and Schedules

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ENTERPRISE FUND

Alamance County, North Carolina
Financial Statements and Schedules

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ALAMANCE COUNTY, NORTH CAROLINA

LANDFILL ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019		Variance Over/Under	2018
	Budget	Actual		Actual
Revenues:				
Operating revenues:				
Landfill user charges	\$ 3,172,756	\$ 4,608,470	\$ 1,435,714	\$ 3,834,747
Scrap tire disposal grant	-	-	-	184
Miscellaneous	370,000	463,265	93,265	514,570
Total operating revenues	<u>3,542,756</u>	<u>5,071,735</u>	<u>1,528,979</u>	<u>4,349,501</u>
Non-operating revenues:				
Interest on investments	12,000	108,854	96,854	59,873
Other non-operating revenues	36,000	97,347	61,347	-
Total non-operating revenues	<u>48,000</u>	<u>206,201</u>	<u>158,201</u>	<u>59,873</u>
Total revenues	<u>3,590,756</u>	<u>5,277,936</u>	<u>1,687,180</u>	<u>4,409,374</u>
Expenditures:				
Environmental protection:				
Landfill:				
Administration:				
Fixed charges and other expenditures	<u>148,785</u>	<u>148,785</u>	<u>-</u>	<u>147,297</u>
Operations:				
Salaries and benefits	1,270,635	1,430,043	(159,408)	1,043,424
Supplies and materials	33,500	28,927	4,573	34,798
Current obligations and services	704,274	678,511	25,763	564,085
State mandated MSW/C&D charges	236,000	235,784	216	197,721
Fixed charges and other expenditures	687,956	663,760	24,196	642,890
Total operations expenditures	<u>2,932,365</u>	<u>3,037,025</u>	<u>(104,660)</u>	<u>2,482,918</u>
Total environmental protection	<u>3,081,150</u>	<u>3,185,810</u>	<u>(104,660)</u>	<u>2,630,215</u>
Budgetary appropriations:				
Other capital outlay	<u>809,349</u>	<u>711,297</u>	<u>98,052</u>	<u>117,025</u>
Total expenditures	<u>3,890,499</u>	<u>3,897,107</u>	<u>(6,608)</u>	<u>2,747,240</u>

ALAMANCE COUNTY, NORTH CAROLINA

LANDFILL ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Revenues over (under) expenditures	(299,743)	1,380,829	1,680,572	1,662,134
Other Financing Sources (Uses):				
Appropriated net position	299,743	-	(299,743)	-
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,380,829</u>	<u>\$ 1,380,829</u>	<u>\$ 1,662,134</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 1,380,829		\$ 1,662,134
Reconciling items:				
Capital outlay		711,297		117,025
Loss on disposal of capital assets		(259)		(5,295)
Capital items not charged to capital outlay		21,628		-
Change in accrued landfill closure and post-closure care costs		(858,745)		(570,554)
Change in compensated absences payable		(10,352)		1,484
Change in deferred outflows of resources - pension		81,867		(80,428)
Change in net pension liability		104,506		(69,029)
Change in deferred inflows of resources - pension		1,843		4,300
Change in deferred outflows of resources - OPEB		7,147		30,699
Change in deferred inflows of resources - OPEB		(349,376)		(181,695)
Change in OPEB liability		344,336		71,615
Depreciation		(945,428)		(689,797)
Change in net position		<u>\$ 489,293</u>		<u>\$ 290,459</u>

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, 2019

	<u>Employee Insurance Fund</u>	<u>Workers' Compensation Fund</u>	<u>Property Insurance Fund</u>	<u>Total</u>
Assets:				
Current assets:				
Cash and cash equivalents	\$ 45,276	\$ 662,023	\$ -	\$ 707,299
Accounts receivable, net	<u>7,460</u>	<u>1,459</u>	<u>-</u>	<u>8,919</u>
Total assets	<u>52,736</u>	<u>663,482</u>	<u>-</u>	<u>716,218</u>
Liabilities:				
Current liabilities:				
Accounts payable	<u>806,828</u>	<u>50,140</u>	<u>-</u>	<u>856,968</u>
Net Position:				
Unrestricted	<u>\$ (754,092)</u>	<u>\$ 613,342</u>	<u>\$ -</u>	<u>\$ (140,750)</u>

ALAMANCE COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	Employee Insurance Fund	Workers' Compensation Fund	Property Insurance Fund	Total
Operating Revenues:				
Charges for services	\$ 11,531,357	\$ 800,089	\$ -	\$ 12,331,446
Miscellaneous revenues	<u>2,872</u>	<u>-</u>	<u>-</u>	<u>2,872</u>
Total operating revenues	<u>11,534,229</u>	<u>800,089</u>	<u>-</u>	<u>12,334,318</u>
Operating Expenditures:				
Personal services	10,224,437	615,935	-	10,840,372
Fixed charges and other expenditures	<u>8,189</u>	<u>90,316</u>	<u>-</u>	<u>98,505</u>
Total operating expenditures	<u>10,232,626</u>	<u>707,123</u>	<u>-</u>	<u>10,939,749</u>
Operating income (loss)	<u>1,301,603</u>	<u>92,966</u>	<u>-</u>	<u>1,394,569</u>
Non-Operating Revenue (Expense):				
Investment earnings	<u>8</u>	<u>14,343</u>	<u>-</u>	<u>14,351</u>
Income (loss) before capital contributions and transfers	1,301,611	107,309	-	1,408,920
Capital Contributions and Transfers:				
Transfers from (to) other funds	<u>-</u>	<u>-</u>	<u>(111,266)</u>	<u>(111,266)</u>
Change in net position	1,301,611	107,309	(111,266)	1,297,654
Net Position:				
Beginning of year- July 1	<u>(2,055,703)</u>	<u>506,033</u>	<u>111,266</u>	<u>(1,438,404)</u>
End of year - June 30	<u>\$ (754,092)</u>	<u>\$ 613,342</u>	<u>\$ -</u>	<u>\$ (140,750)</u>

ALAMANCE COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Employee Insurance Fund</u>	<u>Workers' Compensation Fund</u>	<u>Property Insurance Fund</u>	<u>Total</u>
Cash Flows from Operating Activities:				
Cash received from customers	\$ 11,534,229	\$ 800,089	\$ -	\$ 12,334,318
Cash paid for goods and services	<u>(9,755,360)</u>	<u>(690,944)</u>	<u>-</u>	<u>(10,446,304)</u>
Net cash provided (used) by operating activities	<u>1,778,869</u>	<u>109,145</u>	<u>-</u>	<u>1,888,014</u>
Cash Flows from Non-Capital Financing Activities:				
Advances to/from other funds	(1,733,601)	-	-	(1,733,601)
Transfers (to) from other funds	<u>-</u>	<u>-</u>	<u>(111,266)</u>	<u>(111,266)</u>
Net cash provided (used) by non-capital financing activities	<u>(1,733,601)</u>	<u>-</u>	<u>(111,266)</u>	<u>(1,844,867)</u>
Cash Flows from Investing Activities:				
Investment earnings	<u>8</u>	<u>14,343</u>	<u>-</u>	<u>14,351</u>
Net increase (decrease) in cash and cash equivalents	45,276	123,488	(111,266)	57,498
Cash and Cash Equivalents/Investments:				
Beginning of year - July 1	<u>-</u>	<u>538,535</u>	<u>111,266</u>	<u>649,801</u>
End of year - June 30	<u>\$ 45,276</u>	<u>\$ 662,023</u>	<u>\$ -</u>	<u>\$ 707,299</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 1,301,603	\$ 92,966	\$ -	\$ 1,394,569
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Increase (decrease) in accounts payable	<u>477,266</u>	<u>16,179</u>	<u>-</u>	<u>493,445</u>
Net cash provided (used) by operating activities	<u>\$ 1,778,869</u>	<u>\$ 109,145</u>	<u>\$ -</u>	<u>\$ 1,888,014</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, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018**

	2019			2018
	Financial Plan	Actual	Variance Over/Under	Actual
Operating Revenues:				
Charges for services	\$ 10,727,843	\$ 11,531,357	\$ 803,514	\$ 10,116,761
Miscellaneous revenue	-	2,872	2,872	2,936
Total operating revenues	<u>10,727,843</u>	<u>11,534,229</u>	<u>806,386</u>	<u>10,119,697</u>
Non-Operating Revenue (Expense):				
Investment earnings	<u>1,000</u>	<u>8</u>	<u>(992)</u>	<u>-</u>
Total revenues	<u>10,728,843</u>	<u>11,534,237</u>	<u>805,394</u>	<u>10,119,697</u>
Operating Expenditures:				
Administration	3,536	-	3,536	-
Personal services	10,709,307	10,224,437	484,870	9,761,364
Fixed charges and other expenditures	<u>16,000</u>	<u>8,189</u>	<u>7,811</u>	<u>10,997</u>
Total operating expenditures	<u>10,728,843</u>	<u>10,232,626</u>	<u>496,217</u>	<u>9,772,361</u>
Change in net position	<u>\$ -</u>	<u>\$ 1,301,611</u>	<u>\$ 1,301,611</u>	<u>\$ 347,336</u>
Reconciliation of Financial Plan Basis (Modified Accrual) to Full Accrual:				
Change in net position		<u>\$ 1,301,611</u>		<u>\$ 347,336</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, 2019

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

	2019			2018
	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Operating Revenues:				
Charges for services	\$ 800,000	\$ 800,089	\$ 89	\$ 699,484
Non-Operating Revenues:				
Investment earnings	5,000	14,343	9,343	8,496
Total revenues	<u>805,000</u>	<u>814,432</u>	<u>9,432</u>	<u>707,980</u>
Operating Expenditures:				
Administration	872	872	-	758
Personal services	800,128	615,935	184,193	860,462
Fixed charges and other expenditures	4,000	90,316	(86,316)	6,356
Total operating expenditures	<u>805,000</u>	<u>707,123</u>	<u>97,877</u>	<u>867,576</u>
Change in net position	\$ -	\$ 107,309	\$ 107,309	\$ (159,596)
Reconciliation of Financial Plan Basis (Modified Accrual) to Full Accrual:				
Change in net position		\$ <u>107,309</u>		\$ <u>(159,596)</u>

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, 2019

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

	2019			2018
	Financial Plan	Actual	Variance Over/Under	Actual
Operating Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ 264
Non-Operating Revenue (Expense):				
Investment earnings	-	-	-	1,404
Total revenues	-	-	-	1,668
Operating Expenditures:				
Fixed charges and other expenditures	-	-	-	20,341
Revenues over (under) expenditures	-	-	-	(18,673)
Other Financing Sources (Uses):				
Transfers to other funds	(111,266)	(111,266)	-	-
Appropriated net position	111,266	-	(111,266)	-
Total other financing sources (uses)	-	(111,266)	(111,266)	-
Change in net position	\$ -	\$ (111,266)	\$ (111,266)	\$ (18,673)
Reconciliation of Financial Plan Basis (Modified Accrual) to Full Accrual:				
Change in net position		\$ (111,266)		\$ (18,673)

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, 2019**

	<u>Private-Purpose Trust Funds</u>		<u>Total</u>
	<u>Indigent Trust Fund</u>	<u>General Trust Fund</u>	
Assets:			
Cash and cash equivalents	\$ 314,802	\$ 88,765	\$ 403,567
Total assets	<u>\$ 314,802</u>	<u>\$ 88,765</u>	<u>\$ 403,567</u>
Net Position:			
Assets held in trust for beneficiaries	\$ 314,802	\$ 88,765	\$ 403,567
Total net position	<u>\$ 314,802</u>	<u>\$ 88,765</u>	<u>\$ 403,567</u>

ALAMANCE COUNTY, NORTH CAROLINA

PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Indigent Trust Fund</u>	<u>General Trust Fund</u>	<u>Total</u>
Additions:			
Restricted intergovernmental	\$ 907,339	\$ -	\$ 907,339
Permits and fees	-	37,834	37,834
Investment earnings	-	183	183
Inmate and health deposits	-	1,375,263	1,375,263
Total additions	<u>907,339</u>	<u>1,413,280</u>	<u>2,320,619</u>
Deductions:			
Current:			
Human services	<u>761,557</u>	<u>1,460,156</u>	<u>2,221,713</u>
Change in net position	145,782	(46,876)	98,906
Net Position:			
Beginning of year - July 1	<u>169,020</u>	<u>135,641</u>	<u>304,661</u>
End of year - June 30	<u>\$ 314,802</u>	<u>\$ 88,765</u>	<u>\$ 403,567</u>

AGENCY FUNDS

ALAMANCE COUNTY, NORTH CAROLINA

AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2019

	<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>
Assets:					
Cash and cash equivalents	\$ 2,352	\$ 10,225	\$ 215	\$ 6,915	\$ 50,448
Taxes receivable, net	<u>5,319</u>	<u>20,628</u>	<u>1,220</u>	<u>41,587</u>	<u>35,174</u>
Total assets	<u>\$ 7,671</u>	<u>\$ 30,853</u>	<u>\$ 1,435</u>	<u>\$ 48,502</u>	<u>\$ 85,622</u>
Liabilities:					
Intergovernmental payable	<u>\$ 7,671</u>	<u>\$ 30,853</u>	<u>\$ 1,435</u>	<u>\$ 48,502</u>	<u>\$ 85,622</u>
Total liabilities	<u>\$ 7,671</u>	<u>\$ 30,853</u>	<u>\$ 1,435</u>	<u>\$ 48,502</u>	<u>\$ 85,622</u>

ALAMANCE COUNTY, NORTH CAROLINA

AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2019

	<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>
Assets:					
Cash and cash equivalents	\$ 246,762	\$ 24,403	\$ 62,208	\$ 17,427	\$ 420,955
Taxes receivable, net	<u>159,424</u>	<u>6,850</u>	<u>96,966</u>	<u>4,736</u>	<u>371,904</u>
Total assets	<u>\$ 406,186</u>	<u>\$ 31,253</u>	<u>\$ 159,174</u>	<u>\$ 22,163</u>	<u>\$ 792,859</u>
Liabilities:					
Intergovernmental payable	<u>\$ 406,186</u>	<u>\$ 31,253</u>	<u>\$ 159,174</u>	<u>\$ 22,163</u>	<u>\$ 792,859</u>
Total liabilities	<u>\$ 406,186</u>	<u>\$ 31,253</u>	<u>\$ 159,174</u>	<u>\$ 22,163</u>	<u>\$ 792,859</u>

ALAMANCE COUNTY, NORTH CAROLINA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
Village of Alamance Fund:				
Assets:				
Cash and cash equivalents	\$ 2,157	\$ 229,569	\$ 229,374	\$ 2,352
Taxes receivable (net)	3,318	206,623	204,622	5,319
Total assets	<u>\$ 5,475</u>	<u>\$ 436,192</u>	<u>\$ 433,996</u>	<u>\$ 7,671</u>
Liabilities:				
Intergovernmental payable	<u>\$ 5,475</u>	<u>\$ 436,192</u>	<u>\$ 433,996</u>	<u>\$ 7,671</u>
Town of Haw River Fund:				
Assets:				
Cash and cash equivalents	\$ 7,860	\$ 721,374	\$ 719,009	\$ 10,225
Taxes receivable (net)	25,921	637,618	642,911	20,628
Total assets	<u>\$ 33,781</u>	<u>\$ 1,358,992</u>	<u>\$ 1,361,920</u>	<u>\$ 30,853</u>
Liabilities:				
Intergovernmental payable	<u>\$ 33,781</u>	<u>\$ 1,358,992</u>	<u>\$ 1,361,920</u>	<u>\$ 30,853</u>
Altamahaw-Ossipee Sanitary District Fund:				
Assets:				
Cash and cash equivalents	\$ 216	\$ 17,821	\$ 17,822	\$ 215
Taxes receivable (net)	768	16,159	15,707	1,220
Total assets	<u>\$ 984</u>	<u>\$ 33,980</u>	<u>\$ 33,529</u>	<u>\$ 1,435</u>
Liabilities:				
Intergovernmental payable	<u>\$ 984</u>	<u>\$ 33,980</u>	<u>\$ 33,529</u>	<u>\$ 1,435</u>
Town of Green Level Fund:				
Assets:				
Cash and cash equivalents	\$ 3,984	\$ 321,415	\$ 318,484	\$ 6,915
Taxes receivable (net)	39,069	266,214	263,696	41,587
Total assets	<u>\$ 43,053</u>	<u>\$ 587,629</u>	<u>\$ 582,180</u>	<u>\$ 48,502</u>
Liabilities:				
Intergovernmental payable	<u>\$ 43,053</u>	<u>\$ 587,629</u>	<u>\$ 582,180</u>	<u>\$ 48,502</u>
City of Graham Fund:				
Assets:				
Cash and cash equivalents	\$ 51,628	\$ 556,511	\$ 557,691	\$ 50,448
Taxes receivable (net)	33,243	13,243	11,312	35,174
Total assets	<u>\$ 84,871</u>	<u>\$ 569,754</u>	<u>\$ 569,003</u>	<u>\$ 85,622</u>
Liabilities:				
Intergovernmental payable	<u>\$ 84,871</u>	<u>\$ 569,754</u>	<u>\$ 569,003</u>	<u>\$ 85,622</u>

ALAMANCE COUNTY, NORTH CAROLINA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
City of Burlington Fund:				
Assets:				
Cash and cash equivalents	\$ 247,500	\$ 2,827,971	\$ 2,828,709	\$ 246,762
Taxes receivable (net)	<u>146,859</u>	<u>60,406</u>	<u>47,841</u>	<u>159,424</u>
Total assets	<u>\$ 394,359</u>	<u>\$ 2,888,377</u>	<u>\$ 2,876,550</u>	<u>\$ 406,186</u>
Liabilities:				
Intergovernmental payable	<u>\$ 394,359</u>	<u>\$ 2,888,377</u>	<u>\$ 2,876,550</u>	<u>\$ 406,186</u>
Town of Elon Fund:				
Assets:				
Cash and cash equivalents	\$ 23,932	\$ 261,779	\$ 261,308	\$ 24,403
Taxes receivable (net)	<u>5,530</u>	<u>3,138</u>	<u>1,818</u>	<u>6,850</u>
Total assets	<u>\$ 29,462</u>	<u>\$ 264,917</u>	<u>\$ 263,126</u>	<u>\$ 31,253</u>
Liabilities:				
Intergovernmental payable	<u>\$ 29,462</u>	<u>\$ 264,917</u>	<u>\$ 263,126</u>	<u>\$ 31,253</u>
City of Mebane Fund:				
Assets:				
Cash and cash equivalents	\$ 51,903	\$ 8,919,846	\$ 8,909,541	\$ 62,208
Taxes receivable (net)	<u>225,673</u>	<u>8,496,673</u>	<u>8,625,380</u>	<u>96,966</u>
Total assets	<u>\$ 277,576</u>	<u>\$ 17,416,519</u>	<u>\$ 17,534,921</u>	<u>\$ 159,174</u>
Liabilities:				
Intergovernmental payable	<u>\$ 277,576</u>	<u>\$ 17,416,519</u>	<u>\$ 17,534,921</u>	<u>\$ 159,174</u>
Town of Gibsonville Fund:				
Assets:				
Cash and cash equivalents	\$ 17,413	\$ 198,451	\$ 198,437	\$ 17,427
Taxes receivable (net)	<u>4,480</u>	<u>2,762</u>	<u>2,506</u>	<u>4,736</u>
Total assets	<u>\$ 21,893</u>	<u>\$ 201,213</u>	<u>\$ 200,943</u>	<u>\$ 22,163</u>
Liabilities:				
Intergovernmental payable	<u>\$ 21,893</u>	<u>\$ 201,213</u>	<u>\$ 200,943</u>	<u>\$ 22,163</u>
Fines and Forfeitures Fund:				
Assets:				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 683,694</u>	<u>\$ 683,694</u>	<u>\$ -</u>
Liabilities:				
Intergovernmental payable	<u>\$ -</u>	<u>\$ 683,694</u>	<u>\$ 683,694</u>	<u>\$ -</u>

ALAMANCE COUNTY, NORTH CAROLINA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
Total - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 406,593	\$ 14,738,431	\$ 14,724,069	\$ 420,955
Taxes receivable (net)	<u>484,861</u>	<u>9,702,836</u>	<u>9,815,793</u>	<u>371,904</u>
Total assets	<u>\$ 891,454</u>	<u>\$ 24,441,267</u>	<u>\$ 24,539,862</u>	<u>\$ 792,859</u>
Liabilities:				
Intergovernmental payable	<u>\$ 891,454</u>	<u>\$ 24,441,267</u>	<u>\$ 24,539,862</u>	<u>\$ 792,859</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, 2019

<u>Fiscal Year</u>	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Balance June 30, 2019</u>
2018-2019	\$ -	\$ 84,687,446	\$ 83,802,384	\$ 885,062
2017-2018	778,263	-	457,533	320,730
2016-2017	389,641	-	120,186	269,455
2015-2016	200,701	-	55,089	145,612
2014-2015	118,724	-	24,619	94,105
2013-2014	150,615	-	21,075	129,540
2012-2013	143,342	-	11,968	131,374
2011-2012	115,548	-	7,983	107,565
2010-2011	95,278	-	4,723	90,555
2009-2010	125,896	-	3,648	122,248
2008-2009	146,029	-	146,029	-
Total	<u>\$ 2,264,037</u>	<u>\$ 84,687,446</u>	<u>\$ 84,655,237</u>	2,296,246
Less: Allowance for uncollectible accounts - General Fund				<u>(633,193)</u>
Ad valorem taxes receivable, net - General Fund				<u>\$ 1,663,053</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 84,468,666
Reconciling items:				
Releases and adjustments				40,542
Amount written off per Statute of Limitations				<u>146,029</u>
Total collections and credits				<u>\$ 84,655,237</u>

ALAMANCE COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY
FOR THE YEAR ENDED JUNE 30, 2019

	County-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 14,263,762,542	\$ 0.59	\$ 84,156,199	\$ 75,575,271	\$ 8,580,928
Penalties	-		104,274	104,274	-
Total original levy	<u>14,263,762,542</u>		<u>84,260,473</u>	<u>75,679,545</u>	<u>8,580,928</u>
Discoveries:					
Current year taxes	107,132,373	0.59	632,081	631,617	464
Penalties	-		100,609	100,609	-
Total discoveries	<u>107,132,373</u>		<u>732,690</u>	<u>732,226</u>	<u>464</u>
Abatements	<u>(51,816,441)</u>	0.59	<u>(305,717)</u>	<u>(305,717)</u>	<u>-</u>
Total property valuation	<u>\$ 14,319,078,475</u>				
Net Levy			84,687,446	76,106,054	8,581,392
Uncollected taxes at June 30, 2019			<u>885,062</u>	<u>885,062</u>	<u>-</u>
Current Year's Taxes Collected			<u>\$ 83,802,384</u>	<u>\$ 75,220,992</u>	<u>\$ 8,581,392</u>
Current Levy Collection Percentage			<u>98.95%</u>	<u>98.84%</u>	<u>100.00%</u>

ALAMANCE COUNTY, NORTH CAROLINA

**ANALYSIS OF CURRENT YEAR LEVY
FOR THE YEAR ENDED JUNE 30, 2019**

Secondary Market Disclosures:

Assessed valuation:

Assessment ratio (1)	<u>100.00%</u>
Real property	\$ 10,987,845,278
Personal property	2,991,520,840
Public service companies (2)	<u>339,712,357</u>
Total assessed valuation	<u>\$ 14,319,078,475</u>
Tax rate per \$100	<u>0.59</u>
Levy (includes discoveries, releases, and abatements) (3)	<u>\$ 84,687,446</u>

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

Fire Protection Districts	<u>\$ 4,873,486,170</u>
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- (1) Percentage of appraised value has been established by statute.
- (2) Valuation of railroads, telephone companies, and other utilities as determined by the North Carolina Property Tax Commission
- (3) The levy includes late listing penalties.

Alamance County, North Carolina
Financial Statements and Schedules

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STATISTICAL SECTION (UNAUDITED)

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

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	129
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property taxes.	133
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	142
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	145
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	148

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
Net investment in capital assets	\$ 44,907,020	\$ 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
Restricted	16,591,160	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
Unrestricted	(100,446,537)	(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)
Total governmental activities net position	\$ (38,948,357)	\$ (49,513,618)	\$ 10,407,263	\$ 27,165,157	\$ 16,671,741	\$ 11,959,884	\$ 7,045,347	\$ 4,171,932	\$ 6,998,227	\$ 21,063,926
Business-type activities										
Net investment in capital assets	\$ 9,437,211	\$ 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
Restricted	-	-	-	-	-	-	-	5,576,444	-	314,014
Unrestricted	9,026,714	8,324,659	8,651,259	8,844,023	7,928,221	7,292,012	7,011,792	-	5,688,933	4,847,249
Total business-type activities net position	\$ 18,463,925	\$ 21,537,198	\$ 22,441,865	\$ 21,907,372	\$ 21,451,404	\$ 20,640,950	\$ 20,092,806	\$ 18,916,364	\$ 18,733,467	\$ 18,574,643
Primary government										
Net investment in capital assets	\$ 54,344,231	\$ 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
Restricted	16,591,160	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
Unrestricted	(91,419,823)	(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)
Total primary government net position	\$ (20,484,432)	\$ (27,976,420)	\$ 32,849,128	\$ 49,072,529	\$ 38,291,150	\$ 32,600,834	\$ 27,138,153	\$ 23,088,296	\$ 25,731,694	\$ 39,638,569

ALAMANCE COUNTY, NORTH CAROLINA

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

Table 2

	Fiscal Year Ended June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
REVENUES										
Function/Programs:										
Charges for services:										
Public safety	\$ 11,173	\$ 10,001	\$ 7,766	\$ 8,113	\$ 4,345	\$ 8,069	\$ 9,294	\$ 8,012	\$ 8,252	\$ 7,863
Human services	1,642	4,254	3,125	2,321	3,198	1,769	2,600	3,067	5,616	5,542
Other	2,754	2,582	2,646	2,379	5,914	2,199	2,468	2,151	2,353	1,760
Subtotal	15,569	16,837	13,537	12,813	13,456	12,037	14,362	13,230	16,221	15,165
Operating grants and contributions	19,759	18,390	25,260	26,790	25,917	23,587	23,516	24,767	22,637	25,896
Capital grants and contributions	5,661	3,056	1,497	595	683	2,696	2,772	6,702	2,777	1,785
General revenues:										
Taxes:										
Property taxes, levied for general purpose	90,854	85,895	82,312	81,155	72,673	74,289	69,298	67,366	66,146	67,177
Local option sales tax	31,520	29,828	28,159	27,608	25,080	22,204	20,665	20,226	18,720	16,658
Other taxes and licenses	2,076	1,856	1,663	1,512	1,346	1,177	1,020	949	900	1,242
Grants and contributions not restricted to specific programs	-	-	-	-	-	-	-	-	-	-
Investment earnings	1,639	857	603	430	366	302	485	525	407	47
Miscellaneous, unrestricted	-	-	-	-	-	-	25	25	25	65
Special items	-	-	-	-	2,374	-	-	-	-	-
Subtotal	167,078	156,719	153,031	150,902	141,897	136,292	132,143	133,790	127,833	128,035
Landfill:										
Charges for services	5,072	4,349	4,475	4,122	4,187	4,259	3,713	3,599	3,543	3,531
Operating grants and contributions	-	-	-	-	10	40	4	2	-	-
Investment earnings	109	60	21	11	1	-	-	2	15	19
Gain on disposal	97	-	-	-	-	-	-	-	-	-
Miscellaneous, unrestricted	-	-	-	-	-	-	-	-	-	172
Subtotal	5,278	4,409	4,497	4,133	4,198	4,299	3,717	3,603	3,558	3,722
Total revenues	172,356	161,128	157,527	155,036	146,094	140,591	135,860	137,393	131,391	131,757
EXPENSES										
General government	14,684	16,871	19,621	14,780	14,208	13,744	12,644	14,519	13,475	10,946
Public Safety	44,608	44,785	41,567	39,034	36,135	36,976	35,211	35,159	35,567	33,617
Economic and physical development	2,771	3,764	2,643	2,903	1,605	1,815	1,758	1,792	2,116	1,297
Human services	30,936	32,364	36,697	34,768	36,704	33,935	33,432	33,790	33,229	33,615
Cultural and recreational	5,392	6,449	4,667	3,710	3,786	4,338	3,624	3,926	4,327	3,677
Education	50,754	49,903	57,786	41,598	37,497	36,346	34,963	42,430	45,992	38,763
Interest on long-term debt	1,957	2,248	3,175	2,297	2,550	2,972	6,478	3,655	3,659	3,415
Other expenses	1,112	1,695	1,651	1,486	841	1,252	1,158	1,347	1,376	465
Subtotal	152,214	158,079	167,806	140,577	133,328	131,378	129,268	136,618	139,741	125,795
Landfill	4,788	4,119	3,962	3,677	3,288	3,751	2,542	3,419	3,399	3,494
Total expenses	157,002	162,198	171,769	144,254	136,616	135,129	131,810	140,037	143,140	129,289
Change in net position	15,354	(1,070)	(14,241)	10,781	9,478	5,462	4,050	(2,644)	(11,749)	2,468
Net position-beginning, as restated	(35,838)	(26,906)	47,090	38,290	28,812	27,138	23,088	25,732	37,480	37,171
Net position-ending	\$ (20,484)	\$ (27,976)	\$ 32,849	\$ 49,072	\$ 38,290	\$ 32,600	\$ 27,138	\$ 23,088	\$ 25,731	\$ 39,639

ALAMANCE COUNTY, NORTH CAROLINA

Fund Balances, Governmental Funds
Last Ten Fiscal Years

Table 3

	Fiscal Year Ended June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011 ^e	2010
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,634,322
Unreserved	-	-	-	-	-	-	-	-	-	15,942,207
Nonspendable	330,836	390,988	-	-	-	-	-	172,530	-	-
Restricted ^a	11,967,057	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 ^b	8,022,871	1,114,195	7,467,331	1,488,962	535,212	480,619	322,619	202,619	-	-
Assigned	13,191,538	11,636,038	-	-	-	-	-	-	-	-
Unassigned	18,385,801	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>51,898,103</u>	<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>
All Other Governmental Funds										
Reserved	-	-	-	-	-	-	-	-	-	68,965
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	508,679
Capital project funds	-	-	-	-	-	-	-	-	-	9,881,154
Restricted in Capital Project	4,363,410	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	6,766,680	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	(206,420)	-	-	(51,542)	(213,352)	(58,886)	(190,334)	(200,869)	(24,455)	-
Total all other government funds ^c	<u>10,923,670</u>	<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>
Total fund balances, governmental funds ^d	<u>\$ 62,821,773</u>	<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>

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

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

^c The increase includes proceeds to build a Mental Health Diversion Center.

^d Increases are intended for future capital needs of the County.

^e 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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Property taxes	\$ 90,014,904	\$ 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
Sales taxes	31,520,453	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
Other taxes and licenses	2,076,177	1,856,364	1,662,790	1,511,829	1,345,902	1,178,223	1,019,568	948,664	900,150	951,964
Unrestricted intergovernmental	263,802	259,939	270,038	258,829	277,018	253,863	233,472	252,116	240,992	78,741
Restricted intergovernmental	22,219,897	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
Permits and fees	1,667,286	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
Sales and services	12,412,101	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
Contributions	3,200,000	1,200,000	-	-	-	-	-	-	-	-
Investment earnings	1,624,168	847,182	588,334	422,198	362,419	299,144	482,991	521,302	384,203	73,260
Miscellaneous	979,893	813,568	482,720	454,708	477,661	353,176	505,727	2,026,872	609,518	925,362
Total revenues	<u>165,978,681</u>	<u>155,914,992</u>	<u>153,140,213</u>	<u>150,956,804</u>	<u>139,491,676</u>	<u>136,520,343</u>	<u>131,381,224</u>	<u>133,632,671</u>	<u>128,370,360</u>	<u>127,312,885</u>
Expenditures										
Current										
General government	13,368,573	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
Public Safety	42,011,141	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
Transportation	478,708	478,516	464,448	382,450	395,263	266,588	(43,211)	402,868	425,755	407,971
Environmental protection	79,488	68,340	71,147	102,011	110,590	(64,814)	(414,878)	61,497	55,086	56,204
Economic and physical development	2,488,307	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
Human services	30,579,218	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
Cultural and recreational	4,547,278	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
Intergovernmental (education)	50,615,496	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
Expenditures before Capital Outlay and Debt Service	144,168,209	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
Capital outlay	2,308,966	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
Debt service:										
Principal	8,778,538	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
Interest and other charges	2,076,245	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
Issuance costs	-	-	77,796	6,597	3,653	-	329,582	1,798	127,978	22,964
Total expenditures	<u>157,331,958</u>	<u>159,472,236</u>	<u>166,093,403</u>	<u>144,942,812</u>	<u>137,179,605</u>	<u>132,274,686</u>	<u>133,506,586</u>	<u>137,123,447</u>	<u>143,566,866</u>	<u>137,471,224</u>
Revenues over (under) expenditures	8,646,723	(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)
Other financing sources (uses)	389,235	4,258,489	17,532,598	543,603	440,762	563,218	5,946,146	1,105,241	10,040,813	9,714,664
Special items	-	-	-	-	3,902,970	-	-	-	-	-
Increase (decrease) in fund balance	9,035,958	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)
Beginning fund balance-as restated	53,785,815	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
Ending fund balance	<u>\$ 62,821,773</u>	<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>
Debt service expenditures / non-capital expenditures ratio										
Total Debt service expenditures	10,854,783	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
Divided by Expenditures excluding capital outlay	155,022,992	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
	7.00%	6.69%	6.20%	7.34%	8.63%	8.97%	12.72%	8.70%	8.51%	7.80%

ALAMANCE COUNTY, NORTH CAROLINA

Program Revenues by Function/Program
Last Ten Fiscal Years

Table 5

Function/Program	Program Revenues Fiscal Year Ended June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
General government	\$ 2,661,854	\$ 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
Public safety	11,173,252	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
Transportation	-	-	-	-	-	-	-	-	-	-
Economic and physical development	-	30,086	32,283	818	818	-	-	-	-	-
Environmental protection	-	-	-	-	-	236,956	236,956	201,365	201,365	183,395
Human services	1,642,584	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
Cultural and recreational	92,078	93,412	83,837	281,442	281,442	632,596	632,596	532,636	532,636	545,080
Subtotal government activities	<u>15,569,768</u>	<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>
Business-type activities										
Landfill	5,071,735	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
Subtotal business-type activities	<u>5,071,735</u>	<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>
Total primary government	<u>\$ 20,641,503</u>	<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>

ALAMANCE COUNTY, NORTH CAROLINA

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

Table 6

Fiscal Year Ended June 30	Property	Sales & Use	Occupancy	Emergency Telephone^a	Real Estate Transfer	Other	Total
2019	\$ 90,014,904	\$ 31,520,453	\$ 962,310	\$ -	\$ 937,685	\$ 176,182	123,611,534
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

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

ALAMANCE COUNTY, NORTH CAROLINA

**Government-wide Expenses By Function
Last Ten Fiscal Years**

Table 7

Function	Fiscal Year Ended June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government	\$ 14,684,432	\$ 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
Public safety	44,608,105	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
Transportation	755,725	1,052,686	1,022,227	802,261	562,629	791,878	765,536	843,824	873,491	407,971
Environmental protection	356,505	642,510	628,926	684,094	1,605,380	1,815,147	393,867	1,791,574	502,822	56,204
Economic and physical development	2,770,687	3,764,031	2,643,119	2,903,127	277,956	460,476	1,758,248	502,453	2,116,442	1,296,911
Human services	30,935,727	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
Cultural and recreational	5,391,574	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
Education	50,754,004	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
Debt service:										
Interest and fees	1,957,342	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
Total governmental activities	<u>152,214,101</u>	<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>
Landfill	4,788,384	4,118,915	3,962,316	3,677,384	3,288,476	3,751,292	2,542,292	3,419,406	3,399,423	3,494,302
Total business-type activities	<u>4,788,384</u>	<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>
Total primary government	<u>\$ 157,002,485</u>	<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>

ALAMANCE COUNTY, NORTH CAROLINA

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

Table 8

Program Revenues	Fiscal Year Ended June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Charges for services	\$ 20,641,503	\$ 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
Operating grants and contributions	19,759,184	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
Capital grants and contributions	5,660,713	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
General Revenues										
Taxes										
Property tax	90,854,389	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
Local option sales tax	31,520,453	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
Other taxes and licenses	2,076,177	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
Unrestricted investment earnings	1,747,373	916,955	624,008	441,157	367,329	302,120	487,591	524,817	422,907	65,781
Gain on disposal	97,088	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	25,250	25,250	25,250	237,345
Special Items	-	-	-	-	2,374,090	-	-	-	-	-
Total	<u>\$ 172,356,880</u>	<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>

ALAMANCE COUNTY, NORTH CAROLINA

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

Table 9

Function	Fiscal Year Ended June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government	\$ 14,431,390	\$ 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
Public safety	42,967,746	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
Transportation	478,708	478,516	464,448	382,450	395,263	434,365	437,093	402,868	425,755	407,971
Environmental protection	79,488	68,340	71,147	102,011	110,590	102,963	65,426	61,497	55,086	56,204
Economic and physical development	2,488,307	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
Human services	30,650,334	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
Cultural and recreational	4,765,706	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
Education	50,615,496	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
Debt service:										
Principal retirement	8,778,538	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
Interest and fees	2,076,245	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
Issuance costs	-	-	77,796	6,597	3,653	-	329,582	1,798	127,978	22,964
Total	\$ 157,331,958	\$ 159,472,236	\$ 166,093,402	\$ 144,942,812	\$ 137,179,605	\$ 132,274,686	\$ 133,506,586	\$ 137,123,447	\$ 143,566,866	\$ 133,017,902

ALAMANCE COUNTY, NORTH CAROLINA

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

Table 10

Source	Fiscal Year Ended June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Taxes:										
Property	\$ 90,014,904	\$ 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
Sales	31,520,453	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
Other Taxes & Licenses	2,076,177	1,856,364	1,662,790	1,511,829	1,345,902	1,178,223	1,019,568	948,664	900,150	951,964
Total taxes	123,611,534	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
Intergovernmental	22,483,699	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
Permits and fees	1,667,286	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
Sales and services	12,412,101	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
Contributions	3,200,000	1,200,000	-	-	-	-	-	-	-	-
Investment earnings	1,624,168	847,182	588,334	422,198	362,419	299,144	482,991	521,302	384,203	73,260
Miscellaneous	979,893	813,568	482,720	454,708	477,661	353,176	505,727	2,026,872	609,518	925,362
Total	\$ 165,978,681	\$ 155,914,992	\$ 153,140,213	\$ 150,956,804	\$ 139,491,676	\$ 136,520,343	\$ 131,381,224	\$ 133,632,671	\$ 128,370,360	\$ 127,312,885

Revenues	165,978,681	155,914,992	153,140,213
Expenditures	<u>157,331,958</u>	<u>159,472,236</u>	<u>166,093,402</u>
	8,646,723	(3,557,244)	(12,953,189)
Other Financing Sources	<u>389,235</u>	<u>4,258,489</u>	<u>17,532,598</u>
Change in Fund Balances	9,035,958	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				
2019	\$ 11,039,662	\$ 2,991,521	\$ 339,712	\$ 51,816	\$ 14,319,078	\$ 15,610,028	91.7%	0.5900
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

Source: Alamance County Tax Department

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

ALAMANCE COUNTY, NORTH CAROLINA

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

Table 12

Taxpayer	Fiscal Year Ended June 30														
	2019			2018			2017			2016			2015		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy Corp.	\$ 200,012,507	1	1.40%	\$ 185,725,423	1	1.35%	\$ 171,596,813	2	1.28%	\$ 158,969,764	2	1.22%	\$ 151,126,015	2	1.22%
Laboratory Corp. of America	198,969,189	2	1.39%	173,019,965	2	1.26%	186,562,287	1	1.39%	178,040,337	1	1.37%	176,854,682	1	1.43%
Honda Power Equipment	135,926,090	3	0.95%	112,504,909	3	0.82%	114,094,956	3	0.85%	97,514,033	4	0.75%	85,869,990	4	0.70%
GKN Automotive	103,967,678	4	0.73%	108,027,936	4	0.79%	112,154,922	4	0.83%	112,154,922	3	0.86%	101,338,395	3	0.82%
Buckner C P Steele	70,390,303	5	0.49%	106,069,033	5	0.77%	50,326,105	9	0.37%	62,782,177	7	0.48%	72,288,904	5	0.59%
WalMart (all)	116,550,364	6	0.81%	99,355,340	6	0.72%	79,187,746	5	0.59%	39,665,601	9	0.30%	34,009,205	10	0.28%
Lidl	84,119,034	7	0.59%	84,750,893	7	0.62%	73,884,528	6	0.55%	-	-	0.00%	-	-	0.00%
Alamance Crossing	68,308,298	8	0.48%	70,063,997	8	0.51%	63,550,246	7	0.47%	67,546,431	5	0.52%	67,767,485	6	0.55%
Liggett Group LLC	57,041,302	9	0.40%	55,309,119	9	0.40%	58,521,574	8	0.44%	66,471,758	6	0.51%	58,453,566	7	0.47%
Tanger Outlet Center	43,621,343	10	0.30%	43,613,017	10	0.32%	42,389,129	10	0.32%	36,909,963	10	0.28%	36,994,215	9	0.30%
Sandvik	-	-	0.00%	-	-	0.00%	-	-	0.00%	43,431,686	8	0.33%	49,370,927	8	0.40%
BellSouth	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%
Piedmont Natural Gas Co, Inc.	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%
	\$ 1,078,906,108		7.53%	\$ 1,038,439,632		7.55%	\$ 780,671,493		5.81%	\$ 704,516,908		6.64%	\$ 834,073,384		6.75%

Taxpayer	Fiscal Year Ended June 30														
	2014			2013			2012			2011			2010		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy Corp.	\$ 142,000,754	2	1.15%	\$ 131,969,185	2	1.08%	\$ 125,384,481	1	1.03%	\$ 125,227,605	2	1.03%	\$ 128,618,796	2	1.15%
Laboratory Corp. of America	177,916,847	1	1.44%	166,874,784	1	1.37%	102,601,369	2	0.84%	187,172,134	1	1.55%	187,172,134	1	1.72%
Honda Power Equipment	82,370,318	4	0.67%	66,653,621	6	0.55%	81,093,469	4	0.67%	55,839,674	4	0.46%	64,197,128	4	0.51%
GKN Automotive	96,575,942	3	0.78%	101,642,958	3	0.83%	97,538,356	3	0.80%	90,973,558	3	0.75%	99,658,127	3	0.73%
Buckner C P Steele	73,072,867	5	0.59%	78,254,865	4	0.64%	59,602,023	5	0.49%	48,652,966	6	0.40%	67,992,462	6	0.45%
WalMart (all)	33,855,210	10	0.27%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%
Lidl	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%
Alamance Crossing	68,233,529	6	0.55%	68,106,085	5	0.56%	57,096,385	6	0.47%	54,545,213	5	0.45%	51,357,708	5	0.50%
Liggett Group LLC	58,243,863	7	0.47%	53,148,075	7	0.44%	52,975,001	7	0.43%	43,428,159	8	0.36%	44,663,253	8	0.40%
Tanger Outlet Center	37,196,862	9	0.30%	37,270,944	9	0.31%	36,039,238	10	0.30%	-	-	0.00%	-	-	0.00%
Sandvik	52,110,138	8	0.42%	49,927,286	8	0.41%	44,827,158	8	0.37%	47,543,722	7	0.39%	42,681,804	7	0.44%
BellSouth	-	-	0.00%	35,358,611	10	0.29%	36,126,430	9	0.30%	40,493,284	9	0.33%	43,877,228	9	0.37%
Piedmont Natural Gas Co, Inc.	-	-	0.00%	-	-	0.00%	-	-	0.00%	32,499,532	10	0.27%	31,279,735	10	0.30%
	\$ 821,576,330		6.65%	\$ 789,206,414		6.47%	\$ 693,283,910		5.69%	\$ 726,375,847		6.00%	\$ 761,498,375		6.09%

Source: Alamance County Tax Department

ALAMANCE COUNTY, NORTH CAROLINA

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

Table 13

<u>Fiscal Year Ended June 30</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>County-wide Levies Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount Collected</u>	<u>Percentage of Levy</u>		<u>Amount Collected</u>	<u>Percentage of Levy</u>
2019	\$ 84,260,473	\$ 83,802,384	98.95%	\$ -	\$ 83,802,384	99.5%
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%

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
County Direct Rates										
Alamance County	0.5900	0.5800	0.5800	0.5800	0.5300	0.5400	0.5200	0.5200	0.5200	0.5200
City and Town Rates										
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>0.2000</u>	<u>0.2200</u>
Total Direct and Overlapping	0.7900	0.7800	0.7800	0.7800	0.7300	0.7400	0.7200	0.7200	0.7200	0.7400
City of Burlington	<u>0.5973</u>	<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>
Total Direct and Overlapping	1.1873	1.1773	1.1600	1.1600	1.1100	1.1200	1.1000	1.1000	1.1100	1.1100
City of Burlington - Downtown	<u>0.1700</u>	<u>0.1700</u>	<u>0.1600</u>							
Total Direct and Overlapping	0.7600	0.7500	0.7400	0.7400	0.6900	0.7000	0.6800	0.6800	0.6800	0.6800
City of Graham	<u>0.4550</u>	<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>
Total Direct and Overlapping	1.0450	1.0350	1.0350	1.0250	0.9850	0.9800	0.9600	0.9600	0.9650	0.9650
Town of Elon	<u>0.4500</u>	<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>
Total Direct and Overlapping	1.0400	1.0300	1.0000	1.0000	0.9500	0.9600	0.8900	0.8900	0.8900	0.8900
Town of Gibsonville	<u>0.5300</u>	<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>
Total Direct and Overlapping	1.1200	1.1100	1.0900	1.0900	1.0400	1.0500	1.0350	1.0350	1.0300	1.0300
Town of Green Level	<u>0.3600</u>	<u>0.3600</u>	<u>0.3600</u>	<u>0.3600</u>	<u>0.3400</u>	<u>0.3400</u>	<u>0.3400</u>	<u>0.3400</u>	<u>0.3400</u>	<u>0.3400</u>
Total Direct and Overlapping	0.9500	0.9400	0.9400	0.9400	0.8700	0.8800	0.8600	0.8600	0.8600	0.8600
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>0.4800</u>	<u>0.4500</u>	<u>0.4500</u>	<u>0.4500</u>	<u>0.4500</u>
Total Direct and Overlapping	1.0700	1.0600	1.0600	1.0600	1.0100	1.0200	0.9700	0.9700	0.9700	0.9700
Town of Mebane	<u>0.4700</u>	<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>
Total Direct and Overlapping	1.0600	1.0500	1.0700	1.0700	1.0200	1.0100	0.9900	0.9900	0.9900	0.9900
Town of Ossipee	<u>0.0725</u>	<u>0.0725</u>	<u>0.0725</u>	<u>0.0725</u>	<u>0.0725</u>	<u>0.0725</u>	<u>0.0750</u>	<u>0.0750</u>	<u>0.0750</u>	<u>0.0750</u>
Total Direct and Overlapping	0.6625	0.6525	0.6525	0.6525	0.6025	0.6125	0.5950	0.5950	0.5950	0.5950

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Fire District Rates										
54 East	<u>0.0900</u>	<u>0.0900</u>	<u>0.0900</u>	<u>0.0900</u>	<u>0.0900</u>	<u>0.0900</u>	<u>0.0900</u>	<u>0.0900</u>	<u>0.0900</u>	<u>0.0900</u>
Total Direct and Overlapping	0.6800	0.6700	0.6700	0.6700	0.6200	0.6300	0.6100	0.6100	0.6100	0.6100
Altamahaw-Ossipee	<u>0.1400</u>	<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>
Total Direct and Overlapping	0.7300	0.7200	0.6975	0.6975	0.6475	0.6475	0.6275	0.6275	0.6225	0.6225
E.M. Holt	<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>0.0975</u>	<u>0.0975</u>	<u>0.0800</u>	<u>0.0800</u>
Total Direct and Overlapping	0.7075	0.6975	0.6975	0.6875	0.6375	0.6475	0.6175	0.6175	0.6000	0.6000
East Alamance	<u>0.1050</u>	<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>
Total Direct and Overlapping	0.6950	0.6850	0.6850	0.6850	0.6350	0.6250	0.6050	0.6050	0.6050	0.6050
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	0.6700	0.6600	0.6600	0.6600	0.6100	0.6200	0.6000	0.6000	0.6000	0.6000
Elon	<u>0.1100</u>	<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>
Total Direct and Overlapping	0.7000	0.6900	0.6900	0.6900	0.6400	0.6500	0.6250	0.6250	0.6250	0.6250
Faucette	<u>0.1100</u>	<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>
Total Direct and Overlapping	0.7000	0.6900	0.6900	0.6725	0.6225	0.6325	0.6075	0.6075	0.6075	0.6075
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>0.1350</u>	<u>0.1050</u>
Total Direct and Overlapping	0.7250	0.7150	0.7150	0.7150	0.6650	0.6750	0.6550	0.6550	0.6550	0.6250
North Central Alamance	<u>0.1150</u>	<u>0.1150</u>	<u>0.1150</u>	<u>0.1050</u>						
Total Direct and Overlapping	0.7050	0.6950	0.6950	0.6850	0.6350	0.6450	0.6250	0.6250	0.6250	0.6250
North Eastern Alamance	<u>0.1000</u>	<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>
Total Direct and Overlapping	0.6900	0.6800	0.6800	0.6600	0.6100	0.6200	0.5900	0.5900	0.5900	0.5900
Snow Camp	<u>0.0950</u>	<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>
Total Direct and Overlapping	0.6850	0.6750	0.6750	0.6750	0.6250	0.6350	0.6050	0.6050	0.6050	0.6050
Swepsonville	<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>0.0900</u>
Total Direct and Overlapping	0.6800	0.6700	0.6700	0.6700	0.6200	0.6300	0.6100	0.6100	0.6100	0.6100

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 ^a	Per Capita ^b	Landfill Bonds	Total ^c	Percentage of Personal Income	Per Capita ^b
2019	\$ 42,337,388	\$ 7,244,487	\$ 1,618,599	0.36%		\$ -	51,200,474	0.74%	308.90
2018	47,932,174			0.44%	308.66		60,215,830	0.94%	368.66
2017	53,426,960	9,946,932	2,336,724	0.48%	399.70		64,537,277	1.05%	399.70
2016	42,320,707	9,422,066	1,688,251	0.43%	351.54		55,375,800	0.98%	351.54
2015	47,017,077	12,039,671	1,015,422	0.50%	408.38		63,620,803	1.18%	408.38
2014	52,238,447	15,492,582	1,111,144	0.59%	473.79		72,794,159	1.40%	473.79
2013	56,869,567	19,057,750	1,497,962	0.67%	532.28		81,454,037	1.56%	532.28
2012	56,673,504	22,622,571	1,961,899	0.69%	551.77		84,162,034	1.62%	551.77
2011	60,988,754	26,092,079	1,396,451	0.74%	590.44	-	89,596,798	1.94%	590.44
2010	65,359,004	27,344,933	1,263,111	0.66%	556.00	-	82,475,995	1.71%	556.00
		15,910,324	1,206,667			-			
						-			
						-			
						-			
						-			
						-			
						-			
						-			
						-			

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

^a See Table 11 for taxable property value data.

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

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

ALAMANCE COUNTY, NORTH CAROLINA

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

Table 16

	Fiscal Year Ended June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General bonded debt outstanding										
General obligation bonds	\$ 42,337,388	\$ 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
Percentage of estimated actual property value ^a	0.30%	0.35%	0.40%	0.33%	0.37%	0.40%	0.46%	0.46%	0.50%	0.53%
Per capita ^b	255.43	293.45	330.89	268.67	301.80	340.00	371.63	371.55	401.92	437.89
Total net debt applicable to debt limit	42,337,388	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
Legal debt limit ^c	<u>1,145,526,278</u>	<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>
Legal debt margin ^d	<u>\$ 1,103,188,890</u>	<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>
Legal debt margin as a percentage of the debt limit	96.30%	95.64%	95.03%	95.93%	95.40%	94.95%	94.30%	91.55%	90.92%	91.12%

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

^a Property value can be found in Table 11

^b Population data can be found in Table 18

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

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

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

June 30, 2019

Table 17

Government Unit:	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to County
City of Burlington	3,414,000	97.83%	\$ 3,339,916
City of Mebane	-	83.00%	-
Subtotal overlapping debt			3,339,916
Alamance County direct debt			60,215,830
Total direct and overlapping debt			<u>\$ 63,555,746</u>

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

ALAMANCE COUNTY, NORTH CAROLINA

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

Table 18

Fiscal Year Ended June 30	Population^a	Personal Income	Per Capita Personal Income^b	Median Age^b	School Enrollment^c	Unemployment Rate^d
2019	165,749	6,897,644,635	\$ 41,615	39.9	22,526	4.4%
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%

Sources:

^a N. C. State Demographics Website

^b State Data Center

^c Alamance-Burlington School System with 2009 being estimated

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

ALAMANCE COUNTY, NORTH CAROLINA

Principal Employers
Last Ten Fiscal Years

Table 19

Employer	Fiscal Year Ended June 30														
	2019			2018			2017			2016			2015		
	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	2.11%	3,500	1	2.14%	3,500	1	2.17%	3,329	1	2.11%	3,329	1	2.18%
Laboratory Corp. of America	3,000	2	1.81%	3,000	2	1.84%	3,000	2	1.86%	2,500	2	1.59%	2,500	2	1.64%
Cone Health Alamance Regional	2,000	3	1.21%	2,000	3	1.22%	2,000	3	1.24%	2,240	3	1.42%	2,240	3	1.47%
Elon University	1,500	4	0.90%	1,500	4	0.92%	1,500	4	0.93%	1,403	4	0.89%	1,403	4	0.92%
Wal-Mart	1,200	5	0.72%	1,200	5	0.73%	1,200	5	0.74%	1,000	5	0.63%	1,000	5	0.66%
City of Burlington	1,100	6	0.66%	1,100	6	0.67%	1,100	6	0.68%	806	7	0.51%	806	7	0.53%
Alamance County Government	950	7	0.57%	950	7	0.58%	950	7	0.59%	956	6	0.61%	956	6	0.63%
Honda Power Equipment	850	8	0.51%	850	8	0.52%	850	8	0.53%	750	9	0.48%	600	10	0.39%
GKN Driveline North America	800	9	0.48%	800	9	0.49%	800	9	0.50%	800	8	0.51%	800	8	0.52%
Alamance Community College	650	10	0.39%	650	10	0.40%	650	10	0.40%	652	10	0.41%	652	9	0.43%
	<u>15,550</u>		<u>9.38%</u>	<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>
Employer	Fiscal Year Ended June 30														
	2014			2013			2012			2011			2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Alamance-Burlington School System	3,329	1	2.18%	3,260	1	2.13%	3,260	1	2.14%	3,260	2	2.15%	3,260	2	2.20%
Laboratory Corp. of America	2,500	2	1.64%	3,200	2	2.09%	3,200	2	2.10%	3,300	1	2.17%	3,300	1	2.22%
Cone Health Alamance Regional	2,240	3	1.47%	2,057	3	1.34%	2,057	3	1.35%	2,300	3	1.52%	2,300	3	1.55%
Elon University	1,403	4	0.92%	1,290	4	0.84%	1,290	4	0.85%	1,290	4	0.85%	1,290	4	0.87%
Wal-Mart	1,000	5	0.66%	1,000	6	0.65%	1,000	6	0.66%	1,100	5	0.72%	1,100	5	0.74%
City of Burlington	806	7	0.53%	875	7	0.57%	875	7	0.57%	875	7	0.58%	875	7	0.59%
Alamance County Government	956	6	0.63%	1,100	5	0.72%	1,100	5	0.72%	1,100	5	0.72%	1,100	5	0.74%
Honda Power Equipment	600	10	0.39%	600	9	0.39%	675	8	0.44%	510	9	0.34%	510	9	0.34%
GKN Automotive	800	8	0.52%	500	10	0.33%	500	10	0.33%	500	10	0.33%	500	10	0.34%
Alamance Community College	652	9	0.43%	664	8	0.43%	664	9	0.44%	600	8	0.40%	600	8	0.40%
	<u>14,286</u>		<u>9.30%</u>	<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>

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									
	2019 ^a	2018 ^a	2017 ^a	2016 ^a	2015 ^a	2014 ^a	2013 ^a	2012 ^a	2011	2010
General Government										
County Commissioners	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Administration	4.00	3.00	3.00	3.00	2.50	2.50	3.00	3.00	3.00	3.00
Planning	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.50	2.50	2.50
Human Resources	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Finance	8.00	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	3.00	5.00	5.00	5.00
Register of Deeds	11.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	11.50	11.50
Revaluation	0.33	0.33	1.33	1.50	0.00	0.00	0.00	0.00	0.00	5.00
MIS	19.00	20.00	20.00	20.00	18.00	18.00	18.00	19.00	19.00	20.00
Printing Services	1.00	1.00	1.00	1.00	2.00	1.75	1.75	1.75	1.75	1.75
Purchasing	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Tax Administration	29.00	29.00	28.00	28.00	27.00	27.00	27.00	30.50	30.50	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	12.00	14.00	14.00	13.50
Elections	17.00	17.00	17.00	17.00	17.75	18.00	19.68	27.00	4.50	4.50
Culture & Recreation										
Library	47.10	44.48	43.32	46.88	43.98	42.10	43.56	42.47	43.85	45.51
Recreation	38.00	36.50	35.50	22.92	23.08	25.72	27.22	34.50	16.00	16.00
Economic & Physical Development										
Cooperative Extension	4.50	5.00	4.00	4.75	4.75	4.50	3.97	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
Public Safety										
Judicial Services				0.00	0.00	0.00	0.00	7.00	7.00	7.00
Sheriff's Office	148.50	148.75	139.28	137.62	134.77	133.14	137.55	140.00	129.00	130.00
School Resource Officers	8.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00	7.00
Jail	128.50	127.25	126.99	128.56	126.90	126.90	134.83	133.50	132.00	135.50
Emergency Management ^b	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Fire Marshal	5.00	4.50	4.00	4.00	5.00	5.00	4.00	4.00	4.00	4.00
SARA Management	2.00	2.00	2.00	2.00	2.00	2.00	1.50	1.50	1.50	1.50
Inspections	11.00	10.50	9.66	10.00	10.00	10.00	12.00	13.50	11.00	12.50
Emergency Medical Service	108.00	106.00	89.50	100.32	103.68	98.35	98.02	102.50	84.50	84.50
Central Communications	37.00	38.00	33.00	37.65	37.95	34.93	33.61	35.00	28.00	29.00
Human Services										
Health	86.00	84.00	86.50	85.00	84.63	85.33	87.83	88.38	89.00	90.50
WIC Program	16.00	16.00	16.00	16.00	17.00	16.80	16.80	15.00	15.25	11.00
Dental	12.50	11.50	12.00	12.00	12.00	12.00	11.50	11.30	10.80	10.75
Social Services	225.65	227.00	223.60	226.58	197.72	195.63	201.62	193.70	188.50	186.00
Social Services-Elder Justice	1.00	2.00								
Social Services-Family Justice Center	3.00	3.00								
Social Services-Family Assessment	0.00	0.00	0.00	0.00	0.00	0.00	2.00	2.00	2.00	3.00
Social Services-SAMHSA	0.00	0.00	0.00	0.00	3.48	3.00	2.48	2.50	2.50	2.00
Veteran's Services	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Landfill	21.00	21.00	20.50	18.50	19.00	18.00	19.00	18.00	17.50	17.50
Total	1031.08	1023.31	979.68	986.78	954.69	942.15	968.42	1000.10	916.15	922.01

Source: Alamance County Payroll Department.

Notes:

^aAs budgeted.

^bEmergency Management was separated from the Fire Marshal Department.

ALAMANCE COUNTY, NORTH CAROLINA

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

Table 21

<u>Function/Program</u>	<u>Fiscal Year Ended June 30</u>									
	<u>2019</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>
Fire protection:										
Number of stations	23	22	22	22	22	21	20	20	20	20
Number of fire personnel and officers	520	483	450	466	447	425	430	450	460	450
Number of calls answered	13,233	11,929	11,383	10,479	9,736	10,094	10,048	8,899	8,736	8,280
Number of inspections conducted	1,358	956	1,593	972	1,303	1,488	1,443	1,178	1,512	943
Sheriff protection:										
Number of Sheriff personnel and officers	298	284	274	268	278	267	283.4	271.5	268	272.5
Number of sworn officers	138	140	135	121	121	125	123	126	126	123
Number of law violations:										
Major offenses	693	774	841	963	958	1,594	1,639	1,155	1,565	2,599
Civil papers served	11,213	9,378	9,071	8,750	8,748	8,933	9,242	9,897	10,528	10,625
Traffic violations	1,176	1,339	1,749	1,512	1,233	1,726	1,831	1,283	1,381	1,424
Inspections:										
Building Permits-Residential ^a		504	588	405	342	308	290	196	215	247
Building Permits-Non-Residential ^a		20	23	12	15	10	18	8	11	8

Source: Various County Departments

Note:

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

ALAMANCE COUNTY, NORTH CAROLINA
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Table 22

<u>Function/Program</u>	<u>Fiscal Year Ended June 30</u>									
	<u>2019</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>
Sheriff protection										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol cars	132	132	132	127	114	114	109	114	114	102
Parks and recreation										
Acreage	1,164	1,164	800	798	657	628	454	454	469	470
Acreage-Leased ^a	258	258	258	258	258	258	258	412	410	406
Baseball/Softball diamonds	-	-	-	-	-	-	1	1	1	1
Baseball/Softball diamonds-leased ^a	7	7	9	9	9	9	8	8	7	9
Library										
Branches	5	5	5	5	5	5	5	5	5	5
Emergency Medical Services										
Number of stations ^b	6	4	4	4	3	3	3	3	3	3
Number of ambulances	15	16	16	13	13	13	13	13	13	15
Number of medic trucks	10	7	7	7	7	7	6	6	6	5

^aLeased information added in FY2007-2008.

^bLeased information added in FY2018-2019.

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, 2019, and the related notes to the financial statements, which collectively comprise Alamance County's basic financial statements, and have issued our report thereon dated November 20, 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 2019-002 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 2019-001 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Alamance County's financial statements are free from 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, North Carolina
November 20, 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, 2019. 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, 2019.

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 2019-004. 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 2019-003, 2019-004 and 2019-005 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, North Carolina
November 20, 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, 2019. 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, 2019.

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 2019-004. 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 2019-003, 2019-004, and 2019-005 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, North Carolina
November 20, 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, 2019**

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

Non-compliance material to financial statements noted?

 Yes X No

Federal Awards

Internal control over major federal programs:

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

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

Unmodified

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

 X Yes No

Identification of major federal programs:

<u>Federal Program/Cluster Name</u>	<u>CFDA #</u>
Medicaid Cluster	93.778
Temporary Assistance for Needy Families (TANF) Cluster	93.558
Child Support Enforcement	93.563
Childcare Development Fund Cluster	93.596
Social Services Block Grant	93.667

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

\$750,000

Auditee qualified as low-risk auditee?

 Yes X No

ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2019

Section II – Financial Statement Findings

Finding: 2019-001 – 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 fourth year. The Grant Fund has deficit fund equity for the first year.

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

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

Identification of a Repeat Finding: This is a modified and repeated finding from the immediate previous audit, 2018-001.

Recommendation: The County should budget to increase employees' premiums to cover the deficit. The County should request reimbursement for grants on a more timely basis.

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

Finding: 2019-002 – Prior Period Adjustment

MATERIAL WEAKNESS

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

Condition: In prior periods, errors related to the depreciation of capital assets in Governmental Activities and in the Landfill Fund were discovered. Beginning balances were restated by \$4,299,841 and \$3,562,566, respectively.

Effect: For the statements affected, the prior year financial statements were misstated.

Cause: Inadequate monitoring of the depreciation of capital assets.

Recommendation: Additional review of the depreciation reports should be implemented to prevent prior period adjustments in the future.

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, 2019

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

US Department of Health and Human Services

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

Program Name: Medicaid Cluster

CFDA # 93.778

Grant Number: XIX-MAP19

Finding: 2019-003

MATERIAL WEAKNESS

Criteria: 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 income calculations and household compositions.

Condition: The County Department of Social Services failed to properly determine income for one applicant and household composition for two applicants. Upon further review, each of the three applicants were ultimately eligible.

Context: Of the 939,721 benefit payments valued at \$66,941,896, we examined 60 payment records (\$4,115 value) and determined that (5%) three casefiles did not have properly calculated income or household compositions. One casefile did not have properly calculated income. Two casefiles did not have properly calculated household compositions. Upon further review and recalculation, each of the three applicants were deemed eligible.

Effect: Casefiles did not have properly calculated income or household compositions, which could allow benefits to be provided to individuals who are not eligible.

Cause: The caseworker did not correctly enter the income or household composition.

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 information is entered correctly.

Views of Responsible Officials and Planned Corrective Action: Management accepts this finding, however, many factors not discussed above contribute to the 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, 2019

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: Medicaid Cluster

CFDA # 93.778

Grant Number: XIX-MAP19

NON-MATERIAL NON-COMPLIANCE

MATERIAL WEAKNESS

Finding: 2019-004

Criteria: In accordance with 42 CFR 435, benefits should be terminated timely to prevent payment errors. In accordance with 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure that benefits are properly discontinued after the case is terminated.

Condition: One casefile was terminated and benefits continued after termination.

Context: Of the 939,721 benefit payments valued at \$66,941,896, we examined 60 payment records (\$4,115 value) and determined that one (2%, valued at \$30) of the participants, received benefits after the casefile was terminated.

Effect: Benefits not being properly terminated could cause the County to expend funds over the eligible amount.

Cause: The caseworker did not review to ensure that benefits were properly terminated.

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 \$30 (federal share \$30 and state share \$0) in questioned costs, if tests were extended to the entire population, questioned costs could exceed \$25,000.

Recommendation: Caseworkers should review terminated cases to ensure that benefits are properly terminated.

Views of Responsible Officials and Planned Corrective Action: Management accepts this finding, however, many factors not discussed above contribute to the 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, 2019**

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: Medicaid Cluster

CFDA # 93.778

Grant Number: XIX-MAP19

MATERIAL WEAKNESS

Finding: 2019-005

Criteria: In accordance with 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure that payroll is properly allocated to the program.

Condition: One payroll expenditure was incorrectly allocated to the program.

Context: We examined 25 out of 530 of the payroll expenditures allocated to the program and determined that one (4%) of the payroll expenditures was allocated incorrectly to the program.

Effect: Daysheets not being properly coded could cause the County to allocated funds over the proper amount.

Cause: The caseworker entered the incorrect code on the daysheet and the supervisor did not catch the error in the daysheet review.

Questioned Costs: None. The finding represents an internal control issue; therefore, no questioned costs are applicable.

Recommendation: Management should review payroll coded to programs to ensure that payroll is properly allocated to the program.

Views of Responsible Officials and Planned Corrective Action: Management accepts this finding, however, many factors not discussed above contribute to the 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, 2019

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

N.C. Department of Health and Human Services

Program Name: Medicaid Cluster

Finding: 2019-003 – 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 income calculations and household compositions. See more details at Finding 2019-003 in Section III – Federal Award Findings, Responses, and Questioned Costs.

Finding: 2019-004 – In accordance with 42 CFR 435, benefits should be terminated timely to prevent payment errors. In accordance with 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure that benefits are properly discontinued after the case is terminated. See more details at Finding 2019-004 in Section III – Federal Award Findings, Responses, and Questioned Costs.

Finding: 2019-005 – In accordance with 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure that payroll is properly allocated to the program. See more details at Finding 2019-005 in Section III – Federal Award Findings, Responses, and Questioned Costs.

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, 2019

Section II – Financial Statement Findings

Finding: 2019-001

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 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.

FY 2019, employees are now offered three different health plans with different employee rates. The High Deductible Health Plan has the following employee paid premiums, Employee Only is a free plan, requiring no employee contribution and has an employer paid \$600 contribution to an HSA account., Employee/Children is \$350, Employee/Spouse is \$460, and Employee/Family is \$735. The Copay Plan 70 has the following employee paid premiums, Employee Only is \$25, Employee/Children is \$390, Employee/Spouse is \$475, and Employee/Family is \$775. The Copay Plan 80 has the following employee paid premiums, Employee Only is \$50, Employee/Children is \$405, Employee/Spouse is \$515, and Employee/Family is \$810. An employee who is not compliant with the criteria previously mentioned pays an additional \$50 per month. Employer premiums were increased from \$635 to \$702 per employee per month.

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, 2019

In FY 2020, Employer health premiums were increased from \$702 to \$752 per employee per month, while employer dental premiums were increased from \$39.50 to \$49.50 per employee per month.

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

Concerning the Grant Fund, County staff will work with the Department of Social Services to request reimbursement funds on a quarterly basis.

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

Finding:

2019-002

Name of Contact Person: Susan Evans, Finance Officer

Corrective Action/Management's Response: Management acknowledges the prior period adjustment due to a software system issue. Fixed Asset are reviewed in greater detail with the implementation of MUNIS software.

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, 2019

Section III – Federal Award Findings and Questioned Costs:

Finding: 2019-003

Name of Contact Person: Adrian Daye, DSS Director

Corrective Action/Management's Response: Management accepts the condition, context, and recommendations. Caseworkers received an initial refresher training that incorporated this finding. In addition, caseworkers will complete an eligibility checklist and follow a documentation template to ensure the household composition and income is accurate for each case. Supervisors and/or Quality Review staff will continue to perform monthly second party reviews on cases and we will strengthen the procedures and tracking around this process.

Proposed Completion Date: Management will implement the above procedure immediately regarding income calculations. By January 2020, a procedure for adding newborns to all active cases in the household will be developed and trained.

Finding: 2019-004

Name of Contact Person: Adrian Daye, DSS Director

Corrective Action/Management's Response: Management accepts the condition, context, and recommendations. Caseworkers received an initial refresher training that incorporated this finding. In addition, caseworkers will be reminded of the appropriate steps when terminating a case. Supervisors and/or Quality Review staff will continue to perform monthly second party reviews on cases and we will strengthen the procedures and tracking around this process.

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, 2019

Section III – Federal Award Findings and Questioned Costs:

Finding: **2019-005**

Name of Contact Person: Adrian Daye, DSS Director

Corrective Action/Management's Response: Management accepts the condition, context, and recommendations. Additional day sheet training conducted with supervisors, and staff will ensure compliance. In addition, day sheet software to run specialized reports will help ensure that codes used infrequently will not be utilized in the future.

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, 2019

Section IV – State Award Findings and Questioned Costs

Finding: 2019-003

See Finding 2019-003 in Section III – Federal Award Findings and Questioned Costs of the Corrective Action Plan.

Finding: 2019-004

See Finding 2019-004 in Section III – Federal Award Findings and Questioned Costs of the Corrective Action Plan.

Finding: 2019-005

See Finding 2019-005 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, 2019

- Finding:** **2018-001**
Status: This is a repeat finding in current year as Finding 2019-001.
- Finding:** **2018-002**
Status: Corrected.
- Finding:** **2018-003**
Status: Corrected.
- Finding:** **2018-004**
Status: Corrected.
- Finding:** **2018-005**
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, 2019

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/ Pass-Through Grantor Number	Fed.(Direct and Pass-Through) Expenditures	State Expenditures	Passed-through to Subrecipients
Federal Awards:					
<u>U. S. Department of Agriculture</u>					
<u>Food and Nutrition Service</u>					
Passed-Through N.C. Department of Health and Human Services:					
Division of Social Services:					
Supplemental Nutrition Assistance Program (SNAP) Cluster:					
Administration:					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Admin	10.561	175NC406S2514	\$ 1,185,059	\$ 12,326	\$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Fraud Admin	10.561	175NC406S2514	33,343	-	-
Total Supplemental Nutrition Assistance Program Cluster			1,218,402	12,326	-
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	771,802	-	-
Total U.S. Department of Agriculture			1,990,204	12,326	-
<u>U.S. Department of Justice</u>					
Direct Program:					
Equitable Sharing Funds	16.922		203,152	-	-
Direct Program:					
Criminal And Juvenile Justice and Mental Health Collaboration Program	16.745		50,789	-	-
Direct Program:					
Violence Against Women Office:					
Enhanced Training and Services to End Violence and Abuse of Women later in Life	16.528		134,682	-	-
Direct Program:					
State Criminal Alien Assistance Program	16.606		48,934	-	-
Passed-Through N.C. Department of Public Safety, Governor's Crime Commission:					
Office for Victims of Crime:					
Crime Victim Assistance	16.575	PROJ011904	95,280	-	-
Crime Victim Assistance	16.575	PROJ-013119	206,420	-	-
Total U.S. Department of Justice			739,257	-	-
<u>U.S. Department of Homeland Security</u>					
<u>Federal Emergency Management Agency</u>					
Passed-Through N.C. Department of Public Safety:					
Emergency Management Performance Grants	97.042	EMPG-2015-37001	52,899	-	-
Disaster Grants- Public Assistance (Presidentially Declared Disaster)	97.036	001-99001-00	252,404	-	-
Total U.S. Department of Homeland Security			305,303	-	-
<u>U.S. Department of Housing and Urban Development</u>					
Office of Community Planning and Development:					
Passed-Through City of Burlington					
Community Development Block/Entitlement Grants Cluster:					
Community Development Block Grant/ Entitlement Grants	14.218	B16MC370002	8,653	-	-
Total Community Development Block/Entitlement Grants Cluster			8,653	-	-
<u>U.S. Department of Transportation</u>					
<u>Federal Highway Administration:</u>					
Passed-through the N. C. Department of Natural and Cultural Resources					
Division of Parks and Recreation:					
Recreational Trails Program	20.219	RTP2016-01P001	73,530	-	-
<u>Pipeline and Hazardous Materials Safety Administration:</u>					
Passed-through the N.C. Department of Public Safety,					
Division of Emergency Management:					
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HM-HMP-0544-16-01	10,000	-	-
Total U.S. Department of Transportation			83,530	-	-
<u>U. S. Department of Health and Human Services</u>					
<u>Administration for Children and Families</u>					
Passed-Through N.C. Department of Health and Human Services:					
Division of Social Services:					
Administration:					
Social Services Block Grant- Adult Day Care	93.667	G1701NCSOSR	25,213	29,773	-
Social Services Block Grant- Adult Day Care Over 60	93.667	G1701NCSOSR	4,570	1,958	-
Social Services Block Grant- In-Home Services	93.667	G1701NCSOSR	32,604	-	-
Social Services Block Grant- In-Home Services Over 60	93.667	G1701NCSOSR	13,455	-	-
Social Services Block Grant- S S B G Other Services & Training	93.667	G1701NCSOSR	517,296	-	-

ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

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
Child Support Enforcement- IV-D Administration	93.563	1704NC4005	1,252,245	-	-
Child Support Enforcement- IV-D Offset Fees-Esc	93.563	1704NC4005	53	-	-
Child Support Enforcement- IV-D Offset Fees- Federal	93.563	1704NC4005	6,395	-	-
Low-Income Home Energy Assistance - Crisis Intervention Payments	93.568	G17BINCLIEA	674,254	-	-
Low-Income Home Energy Assistance - Admin	93.568	G17BINCLIEA	111,043	-	-
Low Income Home Energy Assistance	93.568	G17BINCLIEA	675,420	-	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	1701NC1420	32,247	8,062	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G1701NCCWSS	27,980	-	-
Direct Benefits:					
John H. Chafee Foster Care Program for Successful Transition to Adulthood- Direct Benefits	93.674	1701NC1420	26,011	-	-
<u>Refugee and Entrant Assistance Cluster³</u>					
Refugee and Entrant Assistance State/Replacement Designee Administered Program	93.566	1701NCRMA	601	-	-
Total Refugee and Entrant Assistance Cluster ³			601	-	-
Total Division of Social Services			3,399,387	39,793	-
<u>Special Children Adoption Fund Cluster³</u>					
Promoting Safe and Stable Families					
Promoting Safe and Stable Families - Admin	93.556	1701NCFPSS	100,285	-	-
Promoting Safe and Stable Families	93.556	1701NCFPSS	24,111	-	-
Total Special Children Adoption Fund Cluster ³			124,396	-	-
<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	192,769	-	-
TANF-Work First Service	93.558	1701NCTANF	657,422	-	-
Division of Public Health:					
Temporary Assistance for Needy Families	93.558	1701NCTANF	17,146	-	-
Total Temporary Assistance for Needy Families Cluster			867,337	-	-
<u>Foster Care and Adoption Cluster³</u>					
Division of Social Services:					
Foster Care Title IV-E	93.658	1701NCFOST	83,380	68,111	-
Foster Care Title IV-E	93.658	1701NCFOST	7	-	-
Foster Care Title IV-E	93.658	1701NCFOST	260,114	-	-
Foster Care Title IV-E - Direct Benefit Payments	93.658	1701NCFOST	5,923	2,961	-
Foster Care Title IV-E - Direct Benefit Payments	93.658	1701NCFOST	53	-	-
Foster Care Title IV-E - Direct Benefit Payments	93.658	1701NCFOST	89,882	23,942	-
Foster Care Title IV-E - Direct Benefit Payments	93.658	1701NCFOST	144,734	44,294	-
Foster Care Title IV-E - Direct Benefit Payments	93.658	1701NCFOST	3,563	-	-
Foster Care Title IV-E	93.658	1701NCFOST	371,721	-	-
Adoption Assistance	93.659	1701NCADPT	20,148	-	-
Total Foster Care and Adoption Cluster ³			979,525	139,308	-
<u>Subsidized Child Care Cluster³</u>					
<u>Child Care Development Fund Cluster:</u>					
Division of Social Services:					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	G1701NCCDF	285,590	-	-
Total Child Care Development Fund Cluster			285,590	-	-
TANF - Maintenance of Effort			-	32	-
Total Subsidized Child Care Cluster ³			285,590	32	-
Total Administration for Children and Families			5,656,235	179,133	-
<u>Centers for Medicare and Medicaid Services</u>					
Passed-Through N.C. Department of Health and Human Services:					
Division of Health Benefits:					
<u>Medicaid Cluster:</u>					
Division of Social Services:					
Administration:					
Medical Assistance Program - Adult Home Case Management	93.778	XIX-MAP19	57,921	28,961	-
Medical Assistance Program - Medical Assistance Claim	93.778	XIX-MAP19	32,614	-	-
Medical Assistance Program - Medical Assistance Administration	93.778	XIX-MAP19	2,706,765	-	-
Medical Assistance Program - Medical Transportation Administration	93.778	XIX-MAP19	125,529	-	-
Medical Assistance Program - State County Special Assistance	93.778	XIX-MAP19	106,717	-	-
Total Medicaid Cluster			3,029,546	28,961	-
Children's Health Insurance Program - NC Health Choice	93.767	CHIP19	91,688	-	-
Total Centers for Medicare and Medicaid Services			3,121,234	28,961	-

ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/ Pass-Through Grantor Number	Fed.(Direct and Pass-Through) Expenditures	State Expenditures	Passed-through to Subrecipients
<u>Centers for Disease Control and Prevention</u>					
Passed-Through N.C. Department of Health and Human Services:					
Division of Public Health:					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	613 1264 2680	36,896	-	-
Immunization Cooperative Agreements	93.268	715 1331 631D	33,916	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	551 1460 272B	50	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	886 1261 5503	35,809	-	-
Public Health Emergency Response: Cooperative Agreement for Emergency Respons: Public Health Crisis Response	93.354	514 1264 2680	28,855	-	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	H231P000759	5,000	-	-
HIV Cluster: ³					
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	610 1311 462	100	-	-
Total HIV Cluster ³			100	-	-
Total Division of Public Health			140,626	-	-
<u>Office of Population Affairs</u>					
Passed-Through N.C. Department of Health and Human Services:					
Division of Public Health:					
Family Planning Services	93.217	151 13A1 592	70,353	-	-
Total Office of Population Affairs			70,353	-	-
<u>Health Resources and Services Administration</u>					
Division of Public Health:					
Maternal and Child Health Services Block Grant	93.994	101 13A1 5740	123,980	57,813	-
Total Health Resources and Services Administration			123,980	57,813	-
<u>Administration for Community Living</u>					
Division of Aging and Adult Services					
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	2019-Region G-001	180,482	127,770	308,252
Special Programs for the Aging_ Title III, Part B_ Special Programs for the Aging_ Title III, Part B_	93.044	2019-Region G-001	86,750	5,097	91,847
Special Programs for the Aging_ Title III, Part C_ Nutrition Services-Congregate Nutrition	93.045	2019-Region G-001	145,556	8,569	154,125
Special Programs for the Aging_ Title III, Part C_ Nutrition Services-Home Delivered Nutrition	93.045	2019-Region G-001	114,917	83,352	198,269
Nutrition Services Incentive Program	93.053	2019-Region G-001	65,063	-	65,063
Total Aging Cluster			592,768	224,788	817,556
Total Administration for Community Living			592,768	224,788	817,556
Total U. S. Department of Health and Human Services			9,705,196	490,695	817,556
Total Federal Awards			12,832,143	503,021	817,556
State Awards:					
<u>N.C. Department of Natural and Cultural Resources</u>					
Division of State Library:					
State Aid to Public Libraries			-	183,129	-
Total N. C. Department of Cultural and Natural Resources			-	183,129	-
<u>N.C. Department of Environmental Quality</u>					
Abandoned Mobile Home Grant			-	9,000	9,000
Total N. C. Department of Environmental Quality			-	9,000	9,000
<u>N.C. Department of Health and Human Services</u>					
Division of Public Health:					
Food and Lodging Fees			-	44,943	-
Child Health			-	16,290	-
CHA/CHIP Peer Review			-	134,327	-
Public Health Nursing			-	1,200	-
General Communicable Disease Control			-	3,708	-
Gonorrhea Partner Services			-	-	-
HIV/STD State			-	12,500	-
STD Drugs			-	882	-
Minority Diabetes Prevention Program			-	229,528	-
Healthy Beginnings			-	70,000	-
Women's Health Service Fund			-	17,532	-

ALAMANCE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

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
School Nurse Funding Initiative			-	100,000	-
Maternal Health			-	55,081	-
Family Planning-State			-	27,208	-
Health Communities			-	4,137	-
TB Control			-	31,182	-
Total Division of Public Health			-	748,518	-
Division of Social Services:					
Administration:					
ST Child Welfare/CPS/CS LD			-	91,296	-
DCD Smart Start			-	77,841	-
Energy Assistance Private Grant			-	3,102	-
AFDC Incent/Prog-Integrit			-	4,107	-
Direct Benefit Payments:					
Extended FC/Max Non IV-E			-	29,082	-
F/C At Risk Maximization			-	7,035	-
SFHF Maximization			-	70,033	-
State Foster Care HIV			-	-	-
State Foster Home			-	79,090	-
Total Division of Social Services			-	361,586	-
Division of Aging and Adult Services:					
Caregiver Match			-	2,207	2,207
In-Home Services State Funds			-	168,666	168,666
Total Division of Aging and Adult Services			-	170,873	170,873
Total N.C. Department of Health and Human Services			-	1,280,977	-
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund:					
Public School Building Capital Fund			-	2,413,407	-
Total N.C. Department of Public Instruction			-	2,413,407	-
<u>N.C. Department of Transportation</u>					
DOT Cluster					
ROAP Elderly and Disabled Transportation Assistance Program		36220.10.8.1	-	105,082	-
ROAP Rural General Public Program		36228.22.8.1	-	75,640	-
ROAP Work First Transitional-Employment		36236.11.7.1	-	32,645	-
Total DOT Cluster			-	213,367	-
Total N.C. Department of Transportation			-	213,367	-
<u>N.C. Department of Public Safety</u>					
Passed through the Office of Juvenile Justice					
Juvenile Crime Prevention Council Program			-	313,934	313,934
Total State Awards			-	4,413,814	493,807
Total Federal and State Awards			\$ 12,832,143	\$ 4,916,835	\$ 1,311,363

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, 2019. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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, Refugee and Entrant Assistance, and the HIV Cluster.