

ALAMANCE COUNTY NORTH CAROLINA

CITIZENS' FINANCIAL REPORT



For the fiscal year ended June 30, 2020

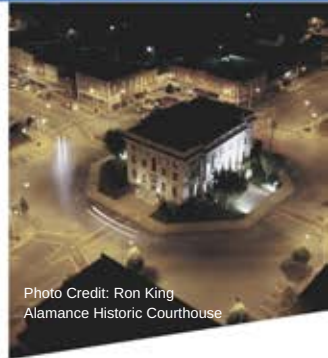


Photo Credit: Ron King, Alamance Historic Courthouse

National Law Enforcement Memorial

Downtown Burlington

TABLE OF CONTENTS

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

GFOA AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Alamance County for its Popular Annual Financial Report for the fiscal year ended June 30, 2019. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

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

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



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to
Alamance County Government
North Carolina

For its Annual
Financial Report
for the Fiscal Year Ended

June 30, 2019

Christopher P. Morrell
Executive Director/CEO

MANAGER'S MESSAGE

TO THE RESIDENTS OF ALAMANCE COUNTY

In an effort to provide transparency and accountability to our residents, Alamance County Government presents the 2019-20 Citizens' Financial Report. This report is an overview of the Comprehensive Annual Financial Report (CAFR) that was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and audited by Martin Starnes & Associates, CPAs, P.A., Information highlights the General Fund which accounts for the majority of operations for the County, but differs from the GAAP financial statements because accounting data has been summarized.

This has been a challenging year with the response to the Coronavirus Pandemic. The Health Department, Emergency Management, EMS and other public safety departments have led the efforts to establish a call center to provide information to our citizens, offer testing sites and provide shelter and quarantine care for COVID patients.

The County, along with Alamance-Burlington School System and Alamance Community College, continue to move forward with capital facility plan which will better meet the needs of our growing population. Initial site plans and development have begun for the bond construction projects.

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

BRYAN HAGOOD

ALAMANCE COUNTY MANAGER



ALAMANCE COUNTY BOARD OF COMMISSIONERS 2019-20

Top Row: Commissioner Eddie Boswell, Vice Chair Steve Carter
Bottom Row: Commissioner Bill Lashley, Chair Amy Scott Galey, Commissioner Tim Sutton



City of Burlington



Burlington Carousel



Photo Credit: Ron King
Saxapahaw

ABOUT ALAMANCE COUNTY

Alamance County is a growing community located in central North Carolina. It encompasses a land area of 431 square miles which includes both rural and urban areas. Its location off of the I-85/I-40 corridor between the Triangle and the Triad have helped to ensure its future with continued growth and development. Currently, Alamance County is home to approximately 170,000 residents with fifteen communities in diverse areas throughout the county.

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

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



POPULATION
170,483



PUBLIC SCHOOL
ENROLLMENT
22,797



EMPLOYER
ESTABLISHMENTS
3,349



UNEMPLOYMENT
7.9%



MEDIAN
HOUSEHOLD
INCOME
\$43,242



MEDIAN AGE
40.0



Photo Credit: Ron King
Saxapahaw

Paramount Theatre

Buster Sykes Farm

ALAMANCE COUNTY AT A GLANCE

MUNICIPAL POPULATIONS

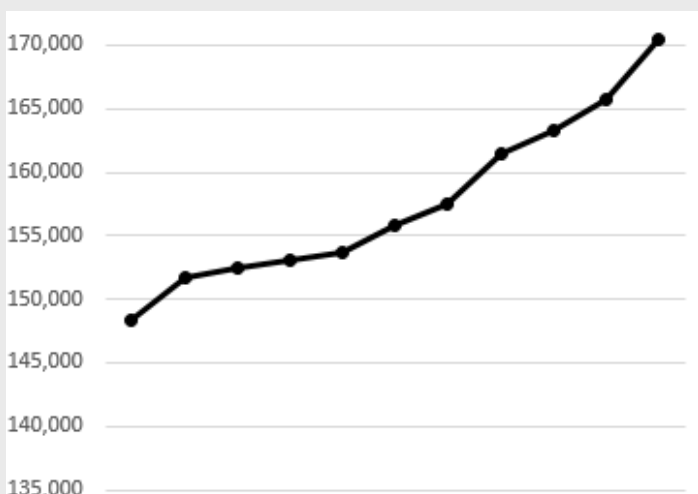
Burlington	52,868
Graham	15,136
Elon	12,695
Mebane*	11,696
Gibsonville*	3,687
Haw River	2,457
Green Level	2,197
Swepsonville	1,466
Village of Alamance.....	1,140
Ossipee.....	598

* A portion of these cities cross into a neighboring county; population figures are within Alamance County

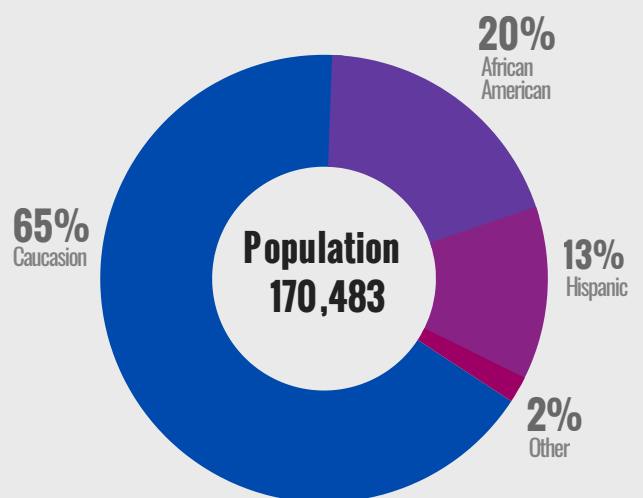
Alamance County is made up of a number of municipalities and towns with the City of Burlington as the largest in population and the City of Graham as the county seat.

Approximately 61% of residents live in urban areas predominantly along Interstate 40 with mostly rural areas in the northern and southern part of the county.

COUNTY POPULATION



DEMOGRAPHICS



*U.S. Census Data , NC State Demographics Website and the Alamance County Chamber of Commerce



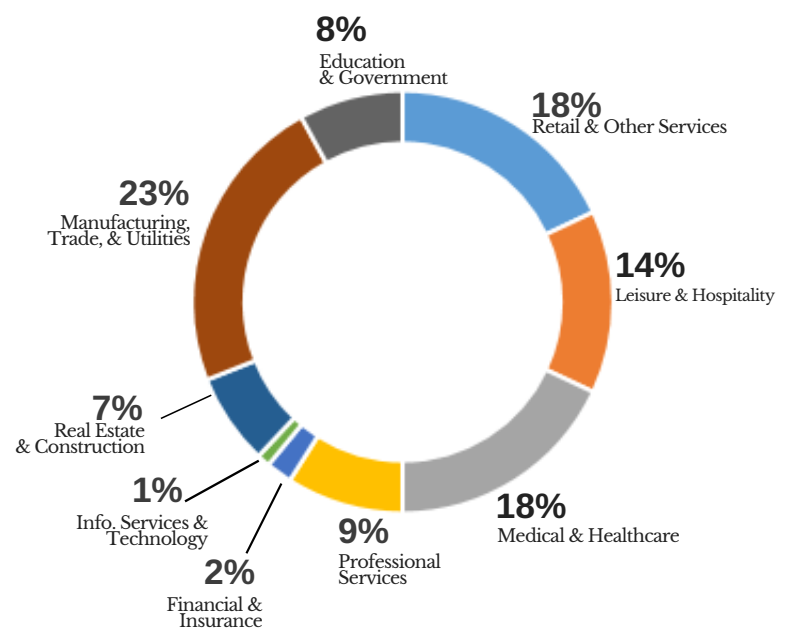
ECONOMY & INDUSTRY

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

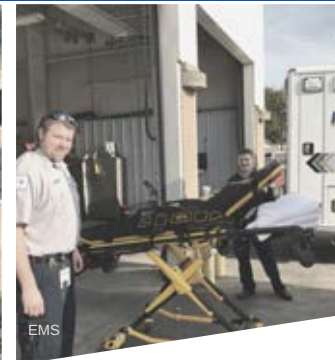
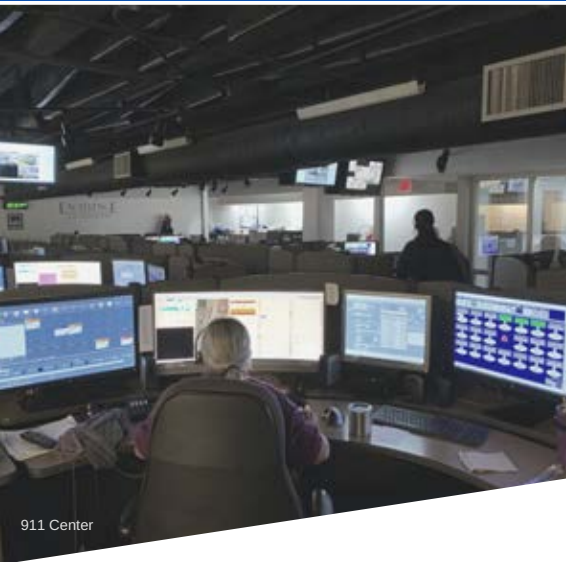
TOP EMPLOYERS

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

EMPLOYMENT BY INDUSTRY



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



ALAMANCE COUNTY GOVERNMENT OVERVIEW

	2020	2019	2018	2017
Public Safety				
911 *CAD entries	276,984	258,706	243,455	223,439
Emergency Management events	103	114	59	48
EMS calls for service	34,561	33,308	35,886	35,081
Fire inspections	1,180	1,279	925	1,506
Number of residential inspections	17,525	16,149	18,575	16,711
Sheriff calls for service	104,776	82,432	82,571	72,605
Economic and Physical Development				
Cooperative Extension students served through embryology sessions	542	1,251	1,011	400
Soil and Water customers assisted	3,067	3,680	5,107	9,320
Human Services				
Number of Food & Nutrition Services applications	7,414	5,405	6,130	6,303
Health Clinic patients (unduplicated)	5,946	6,436	6,430	6,250
Dental Clinic patients (unduplicated)	3,231	3,532	3,626	3,311
Family Justice Center clients served	887	1,198	1,425	1,583
Veterans served	5,203	6,749	6,468	5,508
Cultural and Recreational				
Library visitors	361,591	477,240	465,393	547,012
Park visitors	700,567	521,052	534,199	533,269

*CAD is the link between dispatchers and responders

DOLLARS IN GENERAL FUND REVENUE

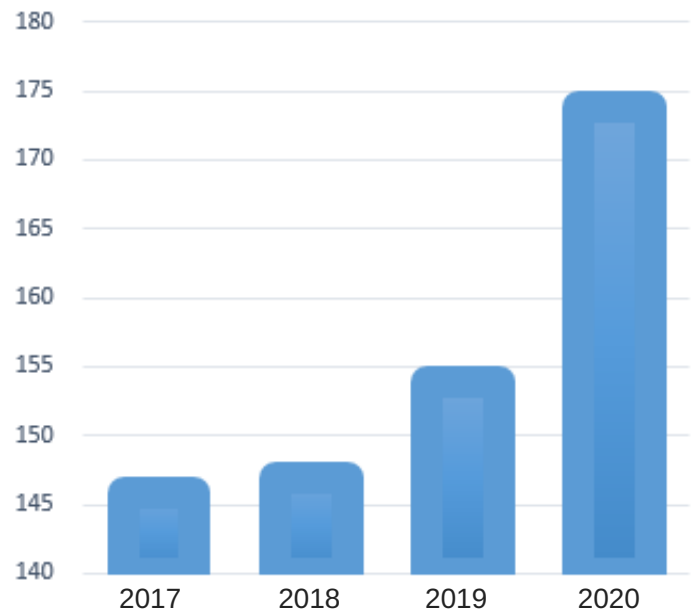
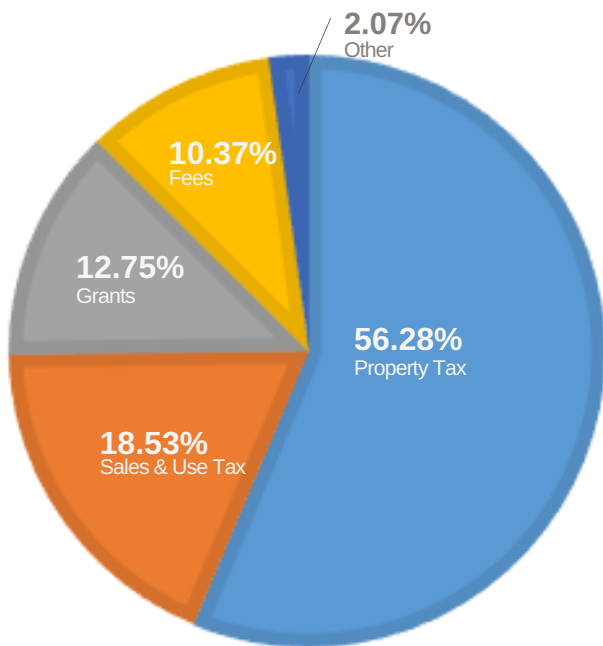
Alamance County Government's resources and services are funded through several different revenue streams. In fiscal year 2019-20, the county collected general fund revenues of \$173,893,913 with the majority received through property and sales and use taxes which makes up almost 75% of total revenue.

The County's property tax rate has increased from .59 cents in 2019 to .67 per \$100 valuation for fiscal year 2019-20 to fund the capital plan and future bonded debt service payments. Other sources of revenue include grants, fees for service, and other various revenue streams.

Government Activities Revenue	2020	2019	2018	2017
Property Tax	\$97,870,813	\$84,468,666	\$79,987,712	\$77,536,930
Sales and Use Tax	32,221,239	31,520,453	29,828,338	28,159,495
Grants	22,178,457	18,971,127	18,071,523	24,598,059
Fees	18,025,563	16,155,564	15,547,730	12,571,963
Other	3,597,841	2,810,873	3,484,762	2,678,834
Total Revenue	\$173,893,913	\$153,926,683	\$146,920,065	\$145,815,319

**Reflects Exhibit D General Fund*

GOVERNMENTAL ACTIVITIES REVENUE



**Amounts are expressed in millions*



Emergency Management Training Exercise



Buster Sykes Orchard and Farm Cooperative Extension



Live Burn Exercise

General Fund Services

GENERAL GOVERNMENT

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

PUBLIC SAFETY

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

ECONOMIC & PHYSICAL DEVELOPMENT

- Planning
- Cooperative Extension
- Economic Development
- Soil Conservation
- Tourism Development Authority

HUMAN SERVICES

- Public Health
- Dental Clinic
- Social Services
- Veterans' Services

CULTURAL SERVICES

- Libraries
- Parks

EDUCATION

- Public Schools
- Community College

DOLLARS OUT GENERAL FUND EXPENDITURES

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

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

For Fiscal Year 2019-20, general fund expenditures totaled \$159,949,265. This increase of approximately \$13 million or 8.69%, when compared to 2018-19 was primarily due to transfers to capital reserve funds for future bonded debt service payments.

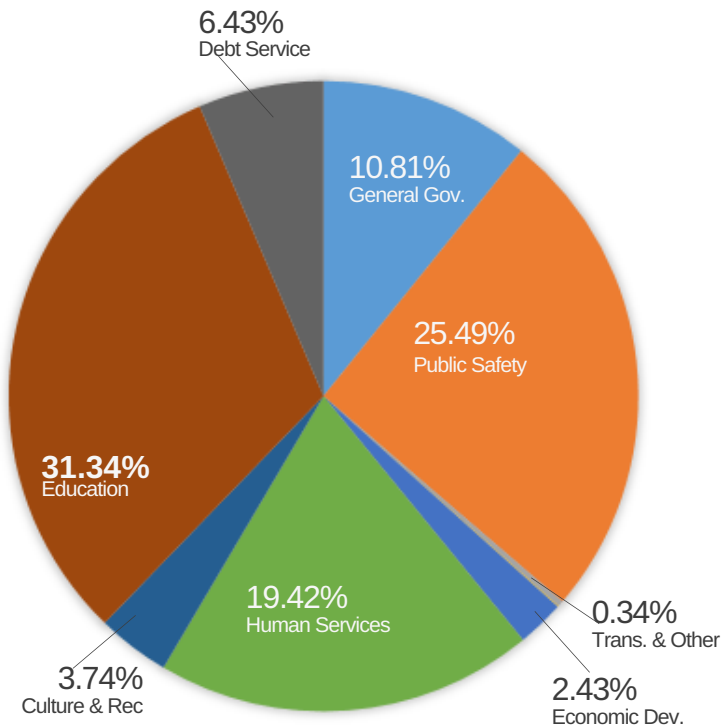
DOLLARS OUT

GENERAL FUND EXPENDITURES

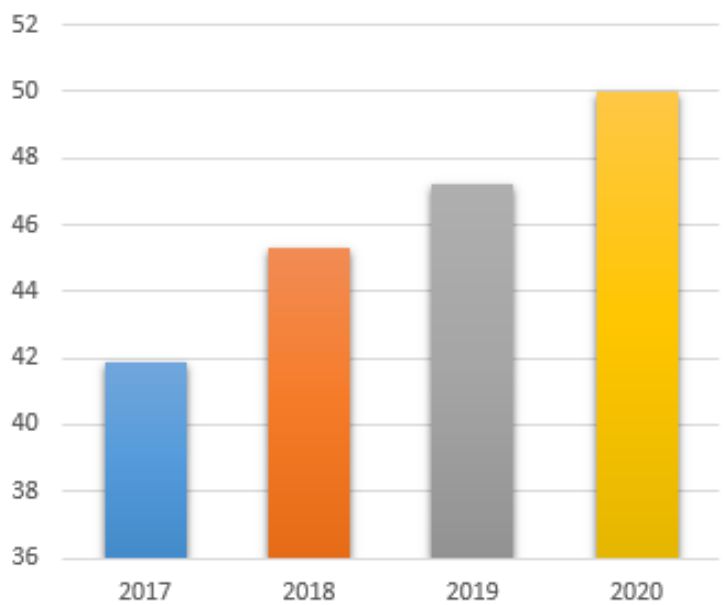
Government Activities Expenses	2020	2019	2018	2017
General Government	\$17,290,097	\$14,203,886	\$15,580,626	\$15,964,205
Public Safety	40,770,898	36,436,504	37,083,685	33,448,614
Transportation	487,589	478,708	478,516	464,448
Environmental Protection	69,695	79,488	68,340	71,147
Economic & Physical Development	3,894,592	2,488,307	3,195,802	2,148,930
Human Services	31,062,838	30,650,334	31,395,230	36,408,854
Cultural & Recreation	5,983,710	4,765,706	5,565,255	4,545,456
Education	50,097,454	47,202,481	45,345,109	41,985,810
Debt Service	10,292,392	10,854,783	10,399,830	9,241,362
Total	\$159,949,265	\$147,160,197	\$149,112,393	\$144,278,826

**Reflects Exhibit D*

2019-20 GOVERNMENTAL ACTIVITIES EXPENSES



EDUCATION FUNDING



**Amounts are expressed in millions*

NET POSITION

GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES

Alamance County's Net Position as discussed in the Management's Discussion and Analysis Figure 2 section of the Comprehensive Annual Financial Report provides insight into the County's financial position as of June 30, 2020. It includes a summary of what the County owns (assets and deferred outflows) and owes (liabilities and deferred inflows).

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

Balance Sheet	2020	2019	2018	2017
Current assets	\$115,318,749	\$93,556,692	\$80,199,157	\$77,227,425
Non-current assets	60,047,315	59,592,666	71,489,941	74,761,728
Total assets	175,366,064	153,149,358	151,689,098	151,989,153
Deferred outflows	17,579,598	15,279,634	10,488,737	12,891,033
Current liabilities	16,372,057	3,310,413	2,830,835	2,887,342
Long-term liabilities	149,791,990	158,639,426	177,871,824	128,536,521
Total liabilities	166,164,047	161,949,839	180,702,659	131,423,863
Deferred inflows	21,854,259	26,963,585	9,451,596	607,195
<i>Net position</i>				
Invested in capital assets	54,379,583	54,344,231	63,374,046	68,981,608
Restricted	17,457,213	16,591,160	16,070,192	15,799,919
Unrestricted	(66,909,440)	(91,419,823)	(107,420,658)	(51,932,399)
Total over (under) net position	\$ 4,927,356	\$(20,484,432)	*\$(27,976,420)	\$32,849,128

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

INCOME STATEMENT

COMBINED FINANCIAL STATEMENTS

Alamance County's Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental funds is similar to a corporate profit and loss report in that it reflects all revenues and expenditures during the fiscal year ended June 30, 2020.

As compared to last fiscal year, total revenue increased 10.89%, mostly due to a 8 cent tax increase in our property tax rate, strong sales and use tax collections, program fees and services.

Statement of Revenues and Expenditures	2020	2019	2018	2017
Revenues				
Property tax	\$ 103,513,028	\$ 90,014,904	\$ 85,315,860	\$ 82,647,767
Sales and use tax	32,221,239	31,520,453	29,828,338	28,159,495
Other taxes and licenses	1,904,663	2,076,177	1,856,364	1,662,790
Grants	26,811,551	22,219,897	20,505,950	27,027,144
Program fees and services	16,120,900	14,079,387	15,547,730	12,571,963
Other revenue	3,480,988	2,867,863	1,920,689	1,071,054
Contributions		3,200,000	1,200,000	
Total Revenue	184,052,369	165,978,681	155,914,992	153,140,213
Expenditures				
Governmental activities	108,559,889	95,861,679	99,456,270	98,526,500
Education	56,054,240	50,615,496	49,616,136	57,506,617
Debt service	10,441,738	10,854,783	10,399,830	10,060,285
Total expenditures	175,055,867	157,331,958	159,472,236	166,093,402
Revenues over (under) expenditures	8,996,502	8,646,723	(3,557,244)	(12,953,189)
Other Financing Sources	3,841,191	389,235	4,258,489	17,532,598
Net Change in Fund Balance	\$ 12,837,693	\$ 9,035,958	\$ 701,245	\$ 4,579,409

*Reflects Exhibit D

FUND BALANCE

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

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

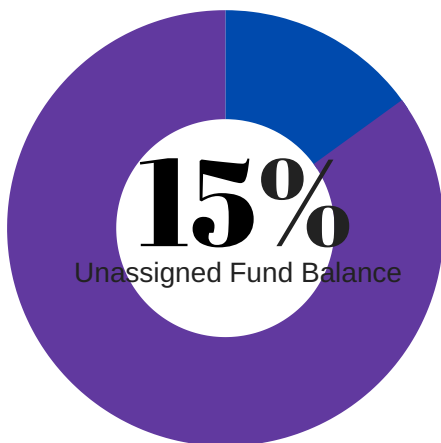
“Unassigned” describes the portion of Fund Balance that has no restrictions on how it may be used. In its fiscal policies, the County set a goal to have an unassigned general fund balance equal to 20% of general fund expenditures. That would mean that, if needed, the County had enough unassigned fund balance to pay for 3 months of operations.

GENERAL FUND

<i>Fund Balance</i>	2020	2019	2018	2017
<i>Non-spendable:</i>				
Notes Receivable	\$ 270,684	\$ 330,836	\$ 390,988	
<i>Restricted:</i>				
Stabilization by State Statute	9,804,975	9,958,759	11,455,111	\$11,152,730
Restricted, all other	4,091,433	2,008,298	3,228,097	3,030,708
Committed*	5,457,507	8,022,871	1,114,195	7,467,331
Assigned	12,697,510	13,191,538	11,636,038	
Unassigned	24,587,727	18,385,801	20,885,793	26,350,853
Total Revenue	\$56,909,836	\$51,898,103	\$48,710,222	\$48,001,62

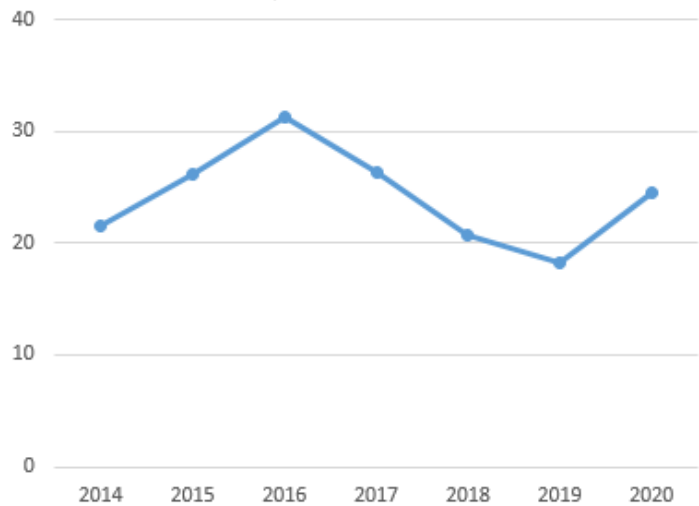
*2017- increase due to commitments for capital projects including an Animal Shelter and Mental Health Diversion Center

*Reflects Exhibit C



The County set a goal to have an unassigned fund balance equal to 20% of the total of annual expenditures.

Unassigned Fund Balance



*Amounts are expressed in millions

DEBT

HOW MUCH DO WE OWE?

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

North Carolina state statutes limit the amount of general obligation outstanding debt to 8% of Alamance County's assessed valuation of property taxes. Our legal debt limit is \$1,134,944,034.

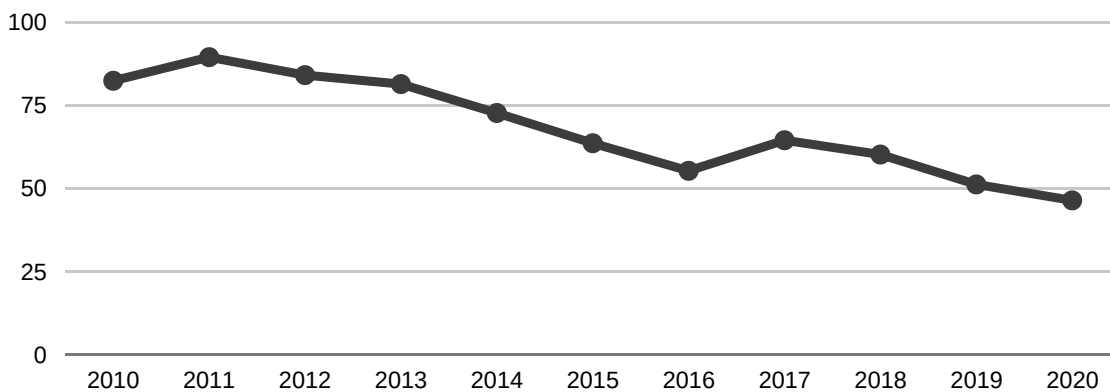
County debt is comprised of three components:

1. **General Obligation Debt:** Debt backed by the full faith and credit of the county. As of June 30, 2020, the county's general obligation debt is rated AA by Standard & Poor's rating agency and Aa2 by Moody's Investors. Bond ratings are similar to personal credit scores - the higher the bond rating, the lower the interest.
2. **Revolving and Installment Loan Debt:** Debt with fixed payments that the county uses for equipment purchases and facility construction.
3. **Capital Leases:** Leases with contract terms longer than a year are defined as capital leases, and the lease item is considered a purchased asset.

Outstanding Debt	2020	2019	2018	2017
General Obligation Bonded Debt	\$36,777,602	\$42,337,388	\$47,932,174	\$53,426,960
Revolving & Installment Loan Debt	7,533,585	7,244,490	9,946,932	9,422,069
Capital Leases	2,169,382	1,618,599	2,336,724	1,688,251
Total Debt	\$46,480,569	\$51,200,477	\$60,215,830	\$64,537,280

**Reflects MD&A Figure 5*

OUTSTANDING DEBT



**Amounts are expressed in millions*



\$272.64

DEBT PER PERSON
FY 2019-20



IN CONCLUSION

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

To learn more about the County's financial funds or view the 2019-20 Comprehensive Annual Financial Report, please visit the Alamance County Finance Department's website. www.alamance-nc.com/finance

ALAMANCE COUNTY IS COMMITTED TO:

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

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

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

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

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



Alamance County Government

124 West Elm Street
Graham, NC 27253
336-228-1312
www.alamance-nc.com

