

Village of Alamance, North Carolina

Audited Financial Statements

Year Ended June 30, 2019

Village of Alamance
Alamance, North Carolina

Donald Tichy, Mayor
Naydine Sharpe, Mayor Pro-Tem

Board of Alderman

Mike Baldwin	Naydine Sharpe
Gayle Andrews	Barry Crouse, Jr.
Timothy Isley	Dan Tichy

Village of Alamance

June 30, 2019

Table of Contents

Exhibit

	<u>Page</u>
Financial Section	
Independent Auditor's Report	1
Management Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
1 Statement of Net Position	12
2 Statement of Activities	13
Fund Financial Statements:	
3 Balance Sheet – Governmental Funds	14
3 Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	14
4 Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	15
4 Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities	16
5 Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual – General Fund	17
6 Statement of Net Position – Proprietary Fund	18
7 Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund	19
8 Statement of Cash Flows – Proprietary Fund	20
Notes to the Financial Statements	21

Required Supplemental Financial Data:

	<u>Page</u>
Schedule of the Proportionate Share of the Net Pension Liability – Local Government Employees' Retirement System	38
Schedule of Contributions – Local Government Employees' Retirement System	38

Individual Fund Statements and Schedules:

<u>Schedule</u>		<u>Page</u>
1	Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual – General Fund	39
2	Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual – Water and Sewer Fund	43
3	Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual – Capital Reserve Fund	45

Other Schedules:

<u>Schedule</u>		<u>Page</u>
4	Schedule of Ad Valorem Taxes Receivable	46
5	Analysis of Current Tax Levy – Village-wide Levy	47



Independent Auditor's Report

Board of Alderman
Village of Alamance
Alamance, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Alamance, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Village of Alamance'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 an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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 financial statement 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.

MEMBER OF:

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS • AICPA PRIVATE COMPANIES PRACTICE SECTION • NORTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Alamance, North Carolina as of June 30, 2019, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity 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 Management's Discussion and Analysis and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 statement, 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 the basic financial statements of the Village of Alamance, North Carolina. The individual fund statements, budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements, budgetary schedules, and other schedules are the responsibility of management and were derived from and relates 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. In our opinion, based on our audit, the individual fund statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Cobb Engelberg & Company, PA

Certified Public Accountants

Graham, North Carolina

October 30, 2019

Management's Discussion and Analysis

As management of the Village of Alamance, we offer readers of the Village of Alamance financial statements this narrative overview and analysis of the financial activities of the Village of Alamance 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 Village's financial statements, which follow this narrative.

Financial Highlights

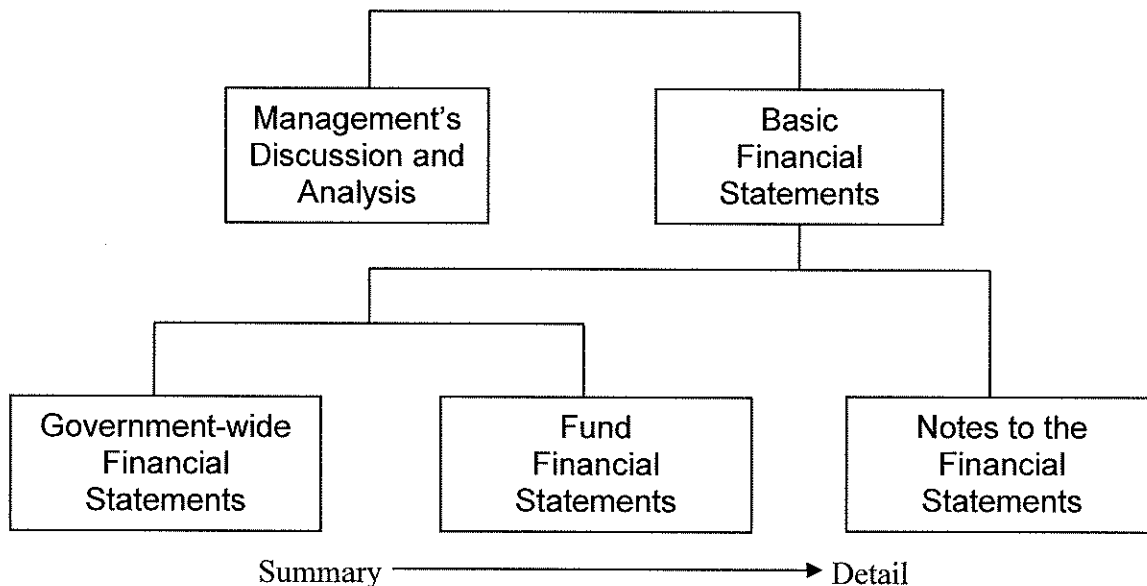
- The assets and deferred outflows of resources of the Village of Alamance exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$7,794,380 (*net position*).
- The government's total net position increased by \$190,157, due to an increase in the government type activities net position of \$275,315 and a decrease in the business type activity net position of \$85,158.
- As of the close of the current fiscal year, the Village of Alamance governmental funds reported combined ending fund balances of \$2,400,761 with a net change of \$292,090 in fund balance. Approximately 4% of this total amount, or \$90,043, is nonspendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,805,986, or 544% of total general fund expenditures for the fiscal year.
- The Village of Alamance's debt decreased by \$12,799, as a result of principal payments on the State Revolving Loan.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Village of Alamance's basic financial statements. The Village'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 Village 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 the Village of Alamance.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Village's financial status.

The next statements (Exhibits 3 through 8) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Village government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary 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 Village's individual funds. Budgetary information required by the North Carolina General Statutes also can be found in this part of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Village'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 Village's financial status as a whole.

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

Management's Discussion and Analysis

Village of Alamance

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the Village's basic services such as general administration and environmental protection. Property taxes and sales taxes finance most of these activities. The business-type activities are those that the Village charges customers to provide. These include the water and sewer services offered by the Village of Alamance.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Village'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. The Village of Alamance, 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 City budget ordinance. All of the funds of the Village of Alamance can be divided into two categories: governmental funds and proprietary 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 Village'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* that provides a short-term spending 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 Village's programs. The relationship between government 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.

The Village of Alamance 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 Village, the management of the Village, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Village to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Village complied with the budget ordinance and whether or not the Village 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.

Proprietary Funds – The Village of Alamance has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village of Alamance uses an enterprise fund to

Management's Discussion and Analysis
Village of Alamance

account for its water and sewer activity. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

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. The notes to the financial statements are on page 21 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Village of Alamance's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 38 of this report.

Interdependence with Other Entities - The Village depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the Village is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

Government-Wide Financial Analysis

The Village of Alamance Net Position - Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 2,418,657	\$ 2,280,481	\$ 358,144	\$ 337,791	\$ 2,776,801	\$ 2,618,272
Capital assets	971,000	996,965	4,238,264	4,379,304	5,209,264	5,376,269
Assessments - non current	-	-	7,326	7,326	7,326	7,326
Deferred outflows of resources	14,728	8,987	1,636	999	16,364	9,986
Total assets and deferred outflows of resources	3,404,385	3,286,433	4,605,370	4,725,420	8,009,755	8,011,853
Long-term liabilities outstanding	23,053	16,735	130,748	142,578	153,801	159,313
Other liabilities	14,586	178,190	43,928	66,980	58,514	245,170
Deferred inflows of resources	2,754	2,832	305	315	3,059	3,147
Total liabilities and deferred inflows of resources	40,393	197,757	174,981	209,873	215,374	407,630
Net position:						
Net investment in capital assets	971,000	996,965	4,097,480	4,225,722	5,068,480	5,222,687
Restricted	90,043	278,044	-	-	90,043	278,044
Unrestricted	2,302,948	1,813,667	332,909	289,825	2,635,857	2,103,492
Total net position	\$ 3,363,991	\$ 3,088,676	\$ 4,430,389	\$ 4,515,547	\$ 7,794,380	\$ 7,604,223

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 the Village of Alamance exceeded liabilities and deferred inflows by \$7,794,380 as of June 30, 2019. The Village's net position increased by \$190,157 for the fiscal year ended June 30, 2019. However, the largest portion (65%) reflects the Village's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Village of Alamance uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since capital assets cannot be used to

Management's Discussion and Analysis
Village of Alamance

liquidate these liabilities. An additional portion of the Village's net position, \$90,043 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,635,857 is unrestricted.

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

- Continued increases in the property and other taxes in the amount of \$32,455.
- The Village also incurred a significant decrease in Street Repairs in the amount of \$157,928.

Village of Alamance Changes in Net Position

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 10,961	\$ 13,173	\$ 342,290	\$ 333,243	\$ 353,251	\$ 346,416
Operating grants and contributions	29,152	28,998	-	-	29,152	28,998
General revenues:						
Property taxes	229,492	216,360	-	-	229,492	216,360
Other taxes	328,679	309,356	-	-	328,679	309,356
Grants and contributions	-	-	-	-	-	-
Unrestricted investment earnings	27,244	11,268	125	125	27,369	11,393
Other	377	915	886	-	1,263	915
Total revenues	625,905	580,070	343,301	333,368	969,206	913,438
Expenses:						
General government	167,448	158,372	-	-	167,448	158,372
Public safety	8,052	14,549	-	-	8,052	14,549
Transportation	84,981	212,386	-	-	84,981	212,386
Environmental protection	96,992	73,477	-	-	96,992	73,477
Interest on long-term debt	-	-	-	-	-	-
Water and sewer	-	-	421,576	438,766	421,576	438,766
Total expenses	357,473	458,784	421,576	438,766	779,049	897,550
Increase in net position before transfers	268,432	121,286	(78,275)	(105,398)	190,157	15,888
Transfers	6,883	-	(6,883)	-	-	-
Increase in net position	275,315	121,286	(85,158)	(105,398)	190,157	15,888
Net position, beginning	3,088,676	2,967,390	4,515,547	4,620,945	7,604,223	7,588,335
Net position, June 30	\$ 3,363,991	\$ 3,088,676	\$ 4,430,389	\$ 4,515,547	\$ 7,794,380	\$ 7,604,223

Governmental activities: Governmental activities increased the Village's net position by \$275,315, thereby accounting for 145% of the total change in net position of the Village of Alamance.

Management's Discussion and Analysis
Village of Alamance

Business-type activities: Business-type activities decreased the Village of Alamance's net position by \$85,158, accounting for (45%) of the total change in the government's net position. Key elements of the improvement are as follows:

- Water and sewer charges increased by \$9,047.
- A decrease in expenditures of \$17,190.

Financial Analysis of the Village's Funds

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

Governmental Funds. The focus of the Village of Alamance governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Village of Alamance's financing requirements.

The general fund is the chief operating fund of the Village of Alamance. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$2,310,718, while total fund balance reached \$2,400,761. The Village of Alamance currently has an available fund balance of 697% of general fund expenditures, and total fund balance represents 724% of the same amount.

General Fund Budgetary Highlights: During the fiscal year, the Village revised the budget. 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.

There were several reasons the Village revised its budget throughout the year. Expenditures in administration were re-allocated for the website expenditures.

Proprietary Funds. The Village's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer fund at the end of the fiscal year amounted to \$332,909. The total decrease in net position was \$85,158.

Management's Discussion and Analysis
Village of Alamance

Capital Asset and Debt Administration

Capital assets. The Village of Alamance's investment in capital assets for its governmental and business-type activities as of June 30, 2019, totals \$5,209,264 (net of accumulated depreciation). These assets include land, equipment, and infrastructure.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 24,000	\$ 24,000	\$ 7,000	\$ 7,000	\$ 31,000	\$ 31,000
Construction in progress	-	-	-	-	-	-
Equipment and furniture	3,577	3,708	1,678	3,201	5,255	6,909
Building	229,784	230,898	-	-	229,784	230,898
Water and Sewer System	-	-	4,229,586	4,369,103	4,229,586	4,369,103
Infrastructure	713,639	738,360	-	-	713,639	738,360
Total	\$ 971,000	\$ 996,966	\$ 4,238,264	\$ 4,379,304	\$ 5,209,264	\$ 5,376,270

Additional information on the Village's capital assets can be found in note 2 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2019, the Village of Alamance had no bonded debt outstanding.

Village of Alamance's Outstanding Debt

The Village of Alamance's debt decreased by 9% during the past fiscal year. This decrease is due to payments on debt which totaled \$12,799.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Village of Alamance is \$9,288,443.

Additional information regarding the Village's long-term debt can be found in note 2 of the Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the activity of the Village of Alamance:

- Continued stability in the operations of the General Fund.
- Tax revenue continues to increase due to the growth in the Village.

Budget Highlights for the Fiscal Year Ending June 30, 2020

Governmental Activities. Property taxes and local option sales taxes will be the primary source of increases in revenue. Budgeted operating expenditures in the General Fund are not expected to significantly increase.

Business-type Activities. The number of users of the water and sewer services will increase due to development in the Village. Water and Sewer rates were increased to cover increased cost of operations.

Request for Information

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

Finance Officer
Village of Alamance
Alamance, NC

Village of Alamance
Statement of Net Position
June 30, 2019

Exhibit 1

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,323,492	\$ 303,878	\$ 2,627,370
Taxes receivables (net)	4,583	-	4,583
Accrued interest receivable on taxes	539	-	539
Accounts receivable (net)	70,752	47,852	118,604
Water and Sewer Assessments receivable	-	-	-
Restricted Cash and Cash Equivalents	19,291	6,414	25,705
Total current assets	2,418,657	358,144	2,776,801
Capital assets (Note 3):			
Land, non-depreciable improvements, and construction in progress	24,000	7,000	31,000
Other capital assets, net of depreciation	947,000	4,231,264	5,178,264
Total capital assets	971,000	4,238,264	5,209,264
Water and Sewer Assessments - non current	-	7,326	7,326
Total assets	3,389,657	4,603,734	7,993,391
DEFERRED OUTFLOWS OF RESOURCES			
Contributions to pension plan in current fiscal year	14,728	1,636	16,364
Total deferred outflows of resources	14,728	1,636	16,364
LIABILITIES			
Current liabilities:			
Accounts payable	12,774	24,715	37,489
Customer deposits	-	6,414	6,414
Current portion of long-term liabilities	1,812	12,799	14,611
Total current liabilities	14,586	43,928	58,514
Long-term liabilities:			
Net Pension Liability	20,711	2,301	23,012
Due in more than one year	2,343	128,447	130,790
Total liabilities	37,640	174,676	212,316
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	2,754	305	3,059
Total deferred inflows of resources	2,754	305	3,059
NET POSITION			
Net investments in capital assets	971,000	4,097,480	5,068,480
Restricted for Streets - Powell Bill	19,291	-	19,291
Restricted for Stabilization by State Statute	70,752	-	70,752
Unrestricted	2,302,948	332,909	2,635,857
Total net position	\$ 3,363,991	\$ 4,430,389	\$ 7,794,380

The notes to the financial statements are an integral part of this statement.

Village of Alamance, North Carolina
Statement of Activities
For the Year Ended June 30, 2019

Exhibit 2

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 167,448	\$ -	\$ -	\$ -	\$ (167,448)	\$ -	\$ (167,448)
Public safety	8,052	282	-	-	(7,770)	-	(7,770)
Transportation	84,981	-	29,152	-	(55,829)	-	(55,829)
Environmental protection	96,992	10,679	-	-	(86,313)	-	(86,313)
Total governmental activities	357,473	10,961	29,152	-	(317,360)	-	(317,360)
Business-type activities:							
Water and sewer	421,576	342,290	-	-	-	(79,286)	(79,286)
Total business-type activities	421,576	342,290	-	-	-	(79,286)	(79,286)
Total primary government	\$ 779,049	\$ 353,251	\$ 29,152	\$ -	(317,360)	(79,286)	(396,646)
General revenues:							
Taxes:							
Property taxes, levied for general purpose					229,492	-	229,492
Other taxes					328,679	-	328,679
Unrestricted investment earnings					27,244	125	27,369
Miscellaneous					377	886	1,263
Transfers					6,883	(6,883)	-
Total general revenues					592,675	(5,872)	586,803
Change in net position					275,315	(85,158)	190,157
Net position-beginning					3,088,676	4,515,547	7,604,223
Net position-ending					\$ 3,363,991	\$ 4,430,389	\$ 7,794,380

The notes to the financial statements are an integral part of this statement.

**Village of Alamance
Balance Sheet
Governmental Funds
June 30, 2019**

Exhibit 3

	Major Fund - General
ASSETS	
Cash and cash equivalents	2,323,492
Restricted Cash	19,291
Taxes receivable (net)	4,583
Accounts receivable (net)	70,752
Total assets	<u>\$ 2,418,118</u>
LIABILITIES	
Accounts payable and accrued liabilities	\$ 12,774
Total liabilities	<u>12,774</u>
DEFERRED INFLOWS OF RESOURCES	
Property taxes receivable	4,583
Total deferred inflows of resources	<u>4,583</u>
FUND BALANCES	
Restricted	
Stabilization by State Statute	70,752
Streets - Powell Bill	19,291
Assigned - Capital Projects and M&R-building	704,732
Unassigned, General Fund	1,605,986
Total fund balances	<u>2,400,761</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,418,118</u>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:	
Total Fund Balance, Governmental Funds	2,400,761
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Gross capital assets at historical cost	1,217,675
Accumulated depreciation	<u>\$ (246,675)</u>
Net pension asset	(20,711)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	14,728
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current period expenditures and therefore are deferred in the funds.	539
Liabilities for earned revenues considered deferred inflows of resources in fund statements.	4,583
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.	(4,155)
Deferred inflows of resources related to pensions are not reported in the funds.	<u>(2,754)</u>
Net position of governmental activities	<u>\$ 3,363,991</u>

The notes to the financial statements are an integral part of this statement.

Village of Alamance
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2019

Exhibit 4

	Major Fund - General
REVENUES	
Ad valorem taxes	\$ 227,432
Other taxes and licenses	282,891
Unrestricted intergovernmental	45,788
Restricted intergovernmental	29,152
Permits and fees	-
Sales and services	10,679
Investment earnings	27,244
Miscellaneous	659
Total revenues	<u>623,845</u>
EXPENDITURES	
General government	155,232
Public safety	7,453
Transportation	78,714
Environmental protection	90,356
Capital outlay	-
Total expenditures	<u>331,755</u>
Excess (deficiency) of revenues over expenditures	<u>292,090</u>
OTHER FINANCING SOURCES (USES)	
Transfers (to) from other funds	6,883
Total other financing sources and uses	<u>6,883</u>
Net change in fund balance	298,973
Fund balances-beginning of year - July 1	2,101,788
Fund balances-end of year - June 30	<u><u>\$ 2,400,761</u></u>

The notes to the financial statements are an integral part of this statement.

Village of Alamance, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2019

Exhibit 4

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds		\$ 298,973
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay expenditures which were capitalized	\$ -	
Depreciation expense for governmental assets	(25,965)	
Loss on disposal of assets	<u>-</u>	(25,965)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		14,728
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Amount of donated assets		-
Change in unavailable revenue for tax revenues		1,996
Accrued interest receivable on taxes		64
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.		
Compensated absences		1,526
Pension expense		<u>(16,007)</u>
Total changes in net position of governmental activities		<u><u>\$ 275,315</u></u>

The notes to the financial statements are an integral part of this statement.

Village of Alamance

Exhibit 5

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2019

	General Fund			
	Original	Final	Actual Amounts	Final Budget - Positive
Revenues:				
Ad valorem taxes	\$ 192,400	\$ 192,400	227,432	\$ 35,032
Other taxes and licenses	240,000	240,000	282,891	42,891
Unrestricted intergovernmental	35,600	35,600	45,788	10,188
Restricted intergovernmental	27,500	28,000	29,152	1,152
Permits and fees	500	500	-	(500)
Sales and services	12,000	12,000	10,679	(1,321)
Investment earnings	1,050	1,050	27,244	26,194
Miscellaneous	1,400	900	659	(241)
Total revenues	510,450	510,450	623,845	113,395
Expenditures:				
General government	282,450	280,450	155,232	125,218
Public safety	8,000	8,000	7,453	547
Transportation	134,000	134,000	78,714	55,286
Environmental protection	86,000	88,000	90,356	(2,356)
Contingency	-	-	-	-
Total expenditures	510,450	510,450	331,755	178,695
Revenues over (under) expenditures	-	-	292,090	292,090
Other financing sources (uses):				
Transfers from other funds	-	-	6,883	6,883
Transfers to other funds	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	-	-	6,883	6,883
Net change in fund balance	\$ -	\$ -	298,973	\$ 298,973
Fund balances:				
Beginning of year - July 1			2,101,788	
End of year - June 30			<u>\$ 2,400,761</u>	

The notes to the financial statements are an integral part of this statement.

**Village of Alamance
Statement of Net Position
Proprietary Fund
June 30, 2019**

Exhibit 6

	<u>Water and Sewer Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	303,878
Accounts receivable (net)	47,852
Water and Sewer Assessments	-
Restricted cash and cash equivalents	6,414
Total current assets	<u>358,144</u>
Noncurrent assets:	
Capital assets:	
Land and Construction in Progress	7,000
Other capital assets, net of depreciation	4,231,264
Capital assets (net)	<u>4,238,264</u>
Water and Sewer Assessments - non current	7,326
Total noncurrent assets	<u>4,245,590</u>
Total assets	<u>4,603,734</u>
DEFERRED OUTFLOWS OF RESOURCES	
Contributions to pension plan	1,636
Total deferred outflows of resources	<u>1,636</u>
LIABILITIES	
Current liabilities:	
Accounts payable	24,715
Current portion of long-term liabilities	12,799
Total current liabilities	<u>37,514</u>
Noncurrent liabilities	
Customer deposits	6,414
Accrued compensation	462
Net Pension Liability	2,301
ARRA loan- noncurrent portion	127,985
Total noncurrent liabilities	<u>137,162</u>
Total liabilities	<u>174,676</u>
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	305
NET POSITION	
Net investment in capital assets	4,097,480
Unrestricted	332,909
Net position of business-type activities	<u><u>\$ 4,430,389</u></u>

The notes to the financial statements are an integral part of this statement.

Village of Alamance
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2019

Exhibit 7

	<u>Water and Sewer Fund</u>
OPERATING REVENUES	
Charges for services	\$ 324,448
Water and sewer taps	10,467
Water and sewer impact fees	1,000
Other operating revenue	6,375
Total operating revenues	<u>342,290</u>
OPERATING EXPENSES	
Administration	17,046
Operations	258,560
Depreciation	145,970
Total operating expenses	<u>421,576</u>
Operating income (loss)	<u>(79,286)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest on assessment	125
Miscellaneous income	886
Total nonoperating revenue (expenses)	<u>1,011</u>
Income (loss) before contributions and transfers	<u>(78,275)</u>
Capital contributions	-
Loss on disposal of asset	-
	<u>-</u>
Transfers (to) from General Fund	<u>(6,883)</u>
Change in net position	<u>(85,158)</u>
Total net position - beginning	<u>4,515,547</u>
Total net position - ending	<u><u>\$ 4,430,389</u></u>

The notes to the financial statements are an integral part of this statement.

**Village of Alamance
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2019**

Exhibit 8

	Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 335,274
Cash paid for goods and services	(293,563)
Cash paid to or on behalf of employees for services	(5,074)
Customer deposits	300
Other operating revenue received	6,375
Net cash provided (used) by operating activities	<u>43,312</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES	
Payments from customer	-
Increase in advances from other funds	-
Transfers (to) from other funds	(6,883)
Net cash provided (used) by non capital financing activities	<u>(6,883)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(4,930)
New loan	-
Loan payments	(12,799)
Contributed Capital	-
Other non-operating revenue	886
Net cash provided (used) by capital and related financing activities	<u>(16,843)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	-
Net cash provided (used) by investing activities	<u>-</u>
Net increase (decrease) in cash and cash equivalents	19,586
Balances-beginning of the year	290,706
Balances-end of the year	<u>\$ 310,292</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income	\$ (79,286)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and amortization	145,970
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(641)
(Increase) decrease in deferred outflows of resources for pensions	(638)
Increase (decrease) in accounts payable	(23,002)
Increase (decrease) in accrued vacation	(170)
Increase (decrease) in customer deposits	300
Increase (decrease) in pension liability	789
Increase (decrease) in deferred inflows of resources for pensions	(10)
Total adjustments	<u>122,598</u>
Net cash provided (used) by operating activities	<u>\$ 43,312</u>

The notes to the financial statements are an integral part of this statement.

Village of Alamance, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

1. Summary of Significant Accounting Policies

The accounting policies of the Village of Alamance conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Village of Alamance is a municipal corporation, which is governed by an elected mayor and a six-member board of Aldermen. The Village is located in Alamance County. As required by generally accepted accounting principles these financial statements present the primary government (i.e. the Village) and any component units, as legally separate organizations for which the elected officials of the Village are financially accountable. The Village of Alamance has no component units as defined above.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. These statements distinguish between the *governmental* and *business-type activities* of the Village. 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 Village and for each function of the Village'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. 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.

Fund Financial Statements: The fund financial statements provide information about the Village's funds. Separate statements for each fund category – *governmental* and *proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are

Notes to the Financial Statements

those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

The Village reports the following major governmental fund:

General Fund. The General Fund is the general operating fund of the Village. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes. The primary expenditures are for administration and sanitation services.

The Village reports the following major enterprise fund:

Water and Sewer Fund. This fund is used to account for the Village water and sewer operations. A Water and Sewer Capital Reserve Fund has been consolidated into the Water and Sewer Fund for financial reporting purposes. The budgetary comparison for the Water and Sewer Capital Reserve Fund has been included in the supplementary information.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the Village are maintained during the year using the modified accrual basis of accounting.

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary 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. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, 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 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.

Notes to the Financial Statements

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 Village's enterprise fund is charges to customers for sales and services. The Village 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 nonoperating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. 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 Village considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable 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. Also, 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 beer and wine tax, collected and held by the State at year-end on behalf of the Village are recognized as revenue. Sales taxes are considered a shared revenue for the Village of Alamance because the tax is levied by Alamance County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues.

Notes to the Financial Statements

D. Budgetary Data

The Village's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for any Capital Project Fund. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the object level for the multi-year funds. All amendments must be approved by the governing board. During the year, amendments were made to the budget. 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.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Equity

Deposits and Investments

All deposits of the Village are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Village may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Village 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 Village to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; 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).

Cash and Cash Equivalents

The Village pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

Restricted Assets

Customer deposits held by the Village before any services are supplied are restricted to the service for which the deposit was collected. The Powell Bill funds are classified as restricted cash because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4.

Village of Alamance Restricted Cash

General Fund- Powell Bill	\$19,291
Water and Sewer Fund- Customer Deposits	<u>6,414</u>
Total Restricted Cash	<u>\$25,705</u>

Notes to the Financial Statements

Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Village levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date), however, interest does 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 Village has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Village's General Fund, ad valorem tax revenues are reported net of such discounts.

Allowances 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.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at acquisition value at the date of donation. 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.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	40
Buildings	40
Equipment	3 – 15
Water and Sewer System	40

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows 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 Village has one item that meets this criterion, contributions made to the pension plan in the 2019 fiscal year. In addition to liabilities, the statement of financial position will sometimes 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 Village has two items that meet the criterion for this category – property taxes receivable and pension deferrals.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable business-type activities, or proprietary fund type statement of net position.

Notes to the Financial Statements

Compensated Absences

The vacation policy of the Village provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the Village's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Village's sick leave policy 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 Village does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of three classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for 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*

Notes to the Financial Statements

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 nonspendable. 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 Streets - Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Assigned Fund Balance – portion of fund balance that the Village of Alamance intends to use for specific purposes.

Assigned for Capital projects and Municipal Building M&R – portion of fund balance that the Board of Alderman intends to use for future capital projects and the maintenance of the Municipal Building.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation.

Unassigned Fund Balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Village of Alamance's employer contributions are recognized when due and the Village of Alamance has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Notes to the Financial Statements

2. Detail Notes on All Funds

A. **Assets**

Deposits

All the deposits of the Village are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Village's agent in the Village'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 Village, these deposits are considered to be held by the Village's agent in the Village's 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 Village or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Village under the Pooling Method, the potential exists for under-collateralization, 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 Village has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Village complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2019 the Village's deposits had a carrying amount of \$1,202,140, and a bank balance of \$1,211,720. Of the bank balance, \$360,712 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. Petty cash on hand at June 30, 2019 was \$130.

Investments

At June 30, 2019, the Village had \$1,450,805 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's. The Village has no formal policy regarding credit risk of its investments.

Receivables – Allowance for Doubtful Accounts

The amounts presented in Exhibit 1, the Balance Sheet and the Statement of Net position, are net of an allowance for doubtful accounts in the amount of \$511 for the General Fund taxes receivable.

Notes to the Financial Statements

Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 24,000	\$ -	\$ -	\$ 24,000
Total capital assets not being depreciated	24,000	-	-	24,000
Capital assets being depreciated:				
Buildings	307,093	6,167	-	313,260
Equipment and furniture	63,159	(6,167)	-	56,992
Infrastructure	823,423	-	-	823,423
Total capital assets being depreciated	1,193,675	-	-	1,193,675
Less accumulated depreciation for:				
Buildings	76,195	7,281	-	83,476
Equipment and furniture	59,451	157	6,193	53,415
Infrastructure	85,063	18,528	(6,193)	109,784
Total accumulated depreciation	220,709	\$ 25,966	\$ -	246,675
Total capital assets being depreciated, net	972,966			947,000
Governmental activity capital assets, net	\$ 996,966			\$ 971,000

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

By function:

General Government	\$ 12,149
Public Safety	584
Transportation	6,161
Environmental Protection	7,072
Total depreciation expense	\$ 25,966

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 7,000	\$ -	\$ -	\$ 7,000
Construction in process	-	-	-	-
Total capital assets not being depreciated	7,000	-	-	7,000
Capital assets being depreciated:				
Water and sewer systems	5,783,583	4,930	(546)	5,789,059
Office equipment and furniture	23,218	-	546	22,672
Building	5,305	-	-	5,305
Total capital assets being depreciated	5,812,106	4,930	-	5,817,036
Less accumulated depreciation for:				
Water and sewer systems	1,414,480	144,993	-	1,559,473
Office equipment and furniture	20,017	977	-	20,994
Building	5,305	-	-	5,305
Total accumulated depreciation	1,439,802	\$ 145,970	\$ -	1,585,772
Total capital assets being depreciated, net	4,372,304			4,231,264
Business-type activity capital assets, net	\$ 4,379,304			\$ 4,238,264

Notes to the Financial Statements

B. Liabilities

1. Pension Plan and Postemployment Obligations
 - a. Local Governmental Employees' Retirement System

Plan Description.

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

Notes to the Financial Statements

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Village of Alamance employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Village of Alamance's contractually required contribution rate for the year ended June 30, 2019, was 7.75% for general employees, 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 Village of Alamance were \$3,549 for the year ended June 30, 2019.

Refunds of Contributions – Village employees who terminate service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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

At June 30, 2019, the Village reported a liability of \$23,012 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 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 Village's proportion of the net pension liability was based on a projection of the Village'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 Village's proportion was 0.00097%, which was a decrease of .00002% from its proportion measured as of June 30, 2017.

Notes to the Financial Statements

For the year ended June 30, 2019, the Village recognized pension expense of \$4,976. At June 30, 2019, the Village 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	\$ 3,550	\$ 118
Changes of assumptions	6,106	-
Net difference between projected and actual earnings on pension plan investments	3,159	-
Changes in proportion and differences between Village contributions and proportionate share of contributions	-	2,941
Village contributions subsequent to the measurement date	3,549	-
Total	<u>\$ 16,364</u>	<u>\$ 3,059</u>

\$3,549 reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date will be recognized as an increase 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:

Year ended June 30:

2020	\$ 5,015
2021	3,138
2022	94
2023	1,509
2024	-
Thereafter	-
	<u>\$ 9,756</u>

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 increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.20 percent, net of pension plan investment expense, including inflation

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

Notes to the Financial Statements

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.0%. All rates of return and inflation are annualized.

Notes to the Financial Statements

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 Village's proportionate share of the net pension liability to changes in the discount rate. The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Village's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
liability (asset)	\$ 55,276	\$ 23,012	\$ (3,949)

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.

Other Postemployment Benefits (OPEB)

The Village does not provide any post employment benefits to retirees.

2. Deferred Outflows and Inflows of Resources

The Village has several deferred outflows of resources comprised of the following:

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 3,550
Changes of assumptions	6,106
Net difference between projected and actual earnings on pension plan investments	3,159
Changes in proportion and differences between Village contributions and proportionate share of contributions	-
Village contributions subsequent to the measurement date	3,549
Total	<u>\$ 16,364</u>

Notes to the Financial Statements

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

	<u>Statement of Net Position</u>	<u>General Fund Balance Sheet</u>
Taxes Receivable (General Fund)	\$ -	\$ 4,583
Differences between expected and actual experience	118	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,941	-
Total	<u>\$ 3,059</u>	<u>\$ 4,583</u>

3. Risk Management

The Village 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 Village participates in two self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools the Village obtains general liability coverage up to \$2 million per occurrence, public officials' liability coverage of \$1 million per occurrence (\$3 million aggregate), public employees' bond coverage of \$50,000, and workers' compensation coverage up to statutory limits. The pools are reinsured through commercial companies for single occurrence claims against general liability and property in excess of \$1,000,000 and \$1,000,000 up to statutory limits for workers' compensation. The property liability pool has an aggregate limit for the total property losses in a single year, with the reinsurance limit based upon a percentage of the total insurance values.

The Village carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

The Village has not been designated as being in a flood zone and thus carries no commercial flood insurance.

In accordance with G.S. 159-29, the Finance Officer is bonded for \$50,000.

4. Long-Term Obligations

a. Installment Purchase

In October 2010, the Village entered into a clean water state revolving loan agreement with the State of North Carolina to finance the second water line connection. The contract requires principal payments of \$12,799 annually, with a stated interest rate of 0 percent. The original loan was for \$255,970 with an outstanding balance of \$140,783 net of amortization.

b. General Obligation Indebtedness

At June 30, 2019, the Village of Alamance had no authorized but uninsured bonds outstanding and had a legal debt margin of \$9,288,443.

Notes to the Financial Statements

The following table summarizes the annual requirements to amortize all long-term debt outstanding at June 30, 2019 (excluding vacation pay and any claims or judgments).

	General					
Fiscal Year	Obligation Bonds		Other Long-Term Indebtdness		Total Debt Due	
	Principal	Interest	Principal	Interest	Principal	Interest
2020			12,799	-	12,799	
2021	-	-	12,799	-	12,799	-
2022	-	-	12,799	-	12,799	-
2023	-	-	12,799	-	12,799	-
2024	-	-	12,799	-	12,799	-
2025-2029			63,995	-	63,995	-
2030-	-	-	12,793	-	12,793	-
	\$ -	\$ -	\$ 140,783	\$ -	\$ 140,783	\$ -

c. <u>Changes in Long-Term</u>	Balance			Balance	Current Portion
<u>Term Liabilities</u>	July 1, 2018	Increases	Decreases	June 30, 2019	of Balance
Governmental activities:					
Compensated absences	\$ 5,682	\$ -	\$ 1,526	\$ 4,156	\$ 1,812
Governmental activity					
long-term liabilities	\$ 5,682	\$ -	\$ 1,526	\$ 4,156	\$ 1,812
Business-type activities:					
Notes payable	\$ 153,582	-	12,799	\$ 140,783	12,799
Compensated absences	631	-	169	462	-
Business-type activity					
Long-term liabilities	\$ 154,213	-	12,968	\$ 141,245	12,799

C. Net Investment in Capital Asset

	<u>Business-Type</u>
Capital Assets	\$4,238,264
Less: Long-Term Debt	140,784
Net Investment in Capital Assets	<u>\$4,097,480</u>

Notes to the Financial Statements

D. Fund Balance

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	\$2,400,761
Less:	
Stabilization by State Statute	70,752
Streets – Powell Bill	19,291
Municipal Building M&R	4,732
Remaining Fund Balance	<u>2,305,986</u>
	<u>\$ -0-</u>

The Village has no outstanding encumbrances related to the purchase orders and contracts that remain unperformed at year end.

E. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The Village has received proceeds from 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 moneys.

F. Significant Effects of Subsequent Events

In accordance with ASC 855, the Village evaluated subsequent events through October 30, 2019, the date the financial statements were available to be issued. There were no material subsequent events that require recognition or additional disclosure in these financial statements.

Village of Alamance, North Carolina
Required Supplementary Information
Last Six Fiscal Years *
Local Government Employees' Retirement System

Schedule of Proportionate Share of Net Pension Liability (Asset)

	2019	2018	2017	2016	2015	2014
Village of Alamance's proportion of the net pension liability (asset) (%)	0.000970%	0.000990%	0.001000%	0.000980%	0.00098992%	0.00069867%
Village of Alamance's proportion of the net pension liability (asset) (\$)	\$23,012	\$15,124	\$21,223	\$4,398	(\$5,838)	\$2,758
Village of Alamance's covered-employee payroll	\$43,894	\$42,616	\$40,587	\$39,791	\$39,010	\$37,874
Village of Alamance's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	52.43%	35.49%	52.29%	11.05%	(14.97%)	7.28%
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.

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

Schedule of Contributions

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 3,549	\$ 3,282	\$ 3,068	\$ 2,720	\$ 2,778	\$ 2,758
Contributions in relation to the contractually required contribution	3,549	3,282	3,068	2,720	2,778	2,758
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Village of Alamance's covered-employee payroll	\$ 45,211	\$43,894	\$42,616	\$40,587	\$39,791	\$39,010
Contributions as a percentage of covered-	7.85%	7.48%	7.20%	6.70%	6.98%	7.07%

Village of Alamance, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

Schedule 1
Page 1 of 4

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
<u>Revenues</u>				
Ad valorem taxes:				
Current year	\$ 190,000	\$ 226,403	\$ 36,403	\$ 215,136
Prior years	2,000	572	(1,428)	704
Penalties and interest	400	457	57	445
Total	192,400	227,432	35,032	216,285
Other taxes:				
Local option sales tax	240,000	282,891	42,891	264,492
Unrestricted intergovernmental:				
Utility franchise tax	32,000	40,299	8,299	39,526
Solid waste disposal	600	764	164	726
Beer and wine tax	3,000	4,725	1,725	4,611
Total	35,600	45,788	10,188	44,863
Restricted intergovernmental:				
FEMA grant revenue	-	-	-	-
Powell Bill allocation	28,000	29,152	1,152	28,998
Total	28,000	29,152	1,152	28,998
Permits and fees:				
Inspections	500	-	(500)	-
Total	500	-	(500)	-
Sales and services:				
Recycling fees	12,000	10,679	(1,321)	12,436
Total	12,000	10,679	(1,321)	12,436
Investment earnings	1,050	27,244	26,194	11,268
Miscellaneous:				
Other	900	659	(241)	1,587
Total revenues	510,450	623,845	113,395	579,929

Village of Alamance, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

Schedule 1
Page 2 of 4

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
<u>Expenditures</u>				
<u>General government</u>				
Governing body:				
Travel - Aldermen	\$ 100	\$ -	\$ 100	\$ -
	100	-	100	-
Administration:				
Salaries and wages - clerk	27,164	27,127	37	26,337
Temporary wages	8,000	6,241	1,759	5,530
Payroll taxes	2,600	2,330	270	2,247
Legal costs	12,790	12,632	158	11,700
Retirement	2,900	2,150	750	1,965
Health insurance	10,000	8,088	1,912	10,563
Telephone and internet	4,350	2,766	1,584	3,611
Travel	750	448	302	589
Advertising	1,000	270	730	1,553
Office supplies	3,000	748	2,252	503
Data processing	3,000	2,796	204	2,737
Website	15,410	13,770	1,640	-
Miscellaneous supplies	1,000	361	639	360
Janitorial supplies	100	5	95	9
Food and provisions	200	41	159	182
Jordan Lake	5,000	596	4,404	308
Postage	600	484	116	640
Dues and subscriptions	4,100	3,795	305	2,691
Insurance and bond - clerk	375	375	-	375
Insurance - general	2,300	2,001	299	1,948
Maintenance	14,000	8,543	5,457	7,493
Printing	1,500	908	592	1,317
Security service	250	144	106	144
Utilities	22,400	10,589	11,811	4,121
Training	1,000	-	1,000	-
Gifts and flowers	200	-	200	3
Bank charges	200	830	(630)	1,624
Professional services - engineer	15,500	8,617	6,883	12,715
Miscellaneous	9,590	546	9,044	7,177
Capital outlay - equipment	64,171	-	64,171	-
Total	233,450	117,201	116,249	108,442

Village of Alamance, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

Schedule 1
Page 3 of 4

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Elections:				
Contracted Services	\$ -	\$ -	\$ -	\$ 1,876
	-	-	-	1,876
Finance:				
Salaries and wages - finance officer	13,800	13,563	237	13,168
Payroll taxes	1,200	1,165	35	1,124
Retirement	1,100	1,051	49	988
Professional services	22,000	17,370	4,630	19,665
Total	38,100	33,149	4,951	34,945
Tax billing and collection				
Contracted service with Alamance County	8,800	4,882	3,918	4,718
Total general government	280,450	155,232	125,218	149,981
<u>Public safety</u>				
Law enforcement:				
Contracted services - City of Burlington	8,000	7,453	547	13,708
Total public safety	8,000	7,453	547	13,708
<u>Transportation</u>				
Streets:				
Repairs and construction	50,000	16,149	33,851	9,563
Professional services - engineer	16,000	12,534	3,466	21,156
Street lights	12,000	9,193	2,807	10,521
Miscellaneous expense	1,000	-	1,000	948
Repairs and maintenance - roads and pavement	55,000	40,838	14,162	-
Street repair contract	-	-	-	157,928
Total transportation	134,000	78,714	55,286	200,116

Village of Alamance, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

Schedule 1
Page 4 of 4

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
<u>Environmental protection</u>				
Solid waste:				
Contracted services and disposal	\$ 60,000	\$ 63,208	\$ (3,208)	\$ 49,729
Recycling	6,000	5,958	42	4,680
Yard waste	22,000	21,190	810	14,823
Total environmental protection	88,000	90,356	(2,356)	69,232
 Total expenditures	 510,450	 331,755	 178,695	 433,036
Revenues over expenditures	-	292,090	292,090	146,893
Other financing sources (uses):				
Transfers (to) from other funds:				
Water and Sewer Fund	-	6,883	6,883	-
Capital Project Fund	-	-	-	-
Appropriated Fund Balance	-	-	-	-
Total	-	6,883	6,883	-
Net change in fund balance	\$ -	298,973	\$ 298,973	146,893
Fund balance				
Beginning of year - July 1		2,101,788		1,954,895
End of year - June 30		\$ 2,400,761		\$ 2,101,788

Village of Alamance, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

Schedule 2
Page 1 of 2

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
<u>Revenues</u>				
Operating revenues:				
Water charges	\$ 160,000	\$ 164,356	\$ 4,356	\$ 169,620
Sewer charges	154,000	160,092	6,092	156,928
Taps and connection fees	-	10,467	10,467	700
Other operating income	6,000	6,375	375	5,995
Water and sewer assessments	-	-	-	-
Water impact fees	-	1,000	1,000	-
Sewer impact fees	-	-	-	-
Total operating revenues	320,000	342,290	22,290	333,243
Nonoperating revenues:				
Investment earnings	100	125	25	125
Miscellaneous income	100	886	786	-
Total nonoperating revenues	200	1,011	811	125
Total revenues	320,200	343,301	23,101	333,368
<u>Expenditures</u>				
Administration:				
Salary - finance officer	4,603	4,521	82	4,389
Payroll taxes	400	388	12	374
Retirement	350	348	2	329
Legal costs	1,610	1,469	141	1,300
Professional services - accounting	2,700	1,930	770	2,185
Telephone	400	225	175	299
Utilities	450	369	81	420
Postage	4,250	3,192	1,058	2,819
Travel	70	50	20	56
Advertising	300	13	287	160
Office supplies	600	179	421	4
Printing	255	100	155	179
Dues and subscriptions	850	265	585	459
State permits	1,651	1,650	1	1,446
Insurance and bond - finance officer	375	375	-	376
Insurance - general	2,200	2,001	199	1,949
Total Administration	21,064	17,075	3,989	16,744
Operations:				
Salary - meter reader	-	-	-	-
Wages - temporary	900	693	207	614
Professional services-Engineer	10,000	4,175	5,825	13,701
Utilities	4,000	3,140	860	3,010

Village of Alamance, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

Schedule 2
Page 2 of 2

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Telephone	\$ 3,500	\$ 2,675	\$ 825	\$ 2,923
Contract water services	81,000	70,958	10,042	80,400
Contract sewer services	104,800	97,979	6,821	100,881
Maintenance - water	21,495	17,230	4,265	20,212
Maintenance - sewer	23,000	21,116	1,884	30,261
Water sampling	5,541	4,693	848	4,239
Water taps & meters	4,700	3,320	1,380	1,570
Repairs - developer/contractor	500	-	500	-
Utility locator	22,500	20,349	2,151	6,308
Smart meter project	2,000	-	2,000	-
Miscellaneous supplies	2,500	831	1,669	1,133
Mowing	11,400	11,400	-	11,301
Total operations	297,836	258,559	39,277	276,553
Debt service:				
Principal retirement	12,800	12,799	1	12,799
Total debt service	12,800	12,799	1	12,799
Capital outlay:				
Equipment	5,000	4,930	70	-
Total capital outlay	5,000	4,930	70	-
Total expenditures	336,700	293,363	43,337	306,096
Revenues over (under) expenditures	(16,500)	49,938	66,438	27,272
Other financing sources (uses):				
Appropriated Fund Balance	16,500	-	16,500	-
Operating transfer to General Fund	-	(6,883)	6,883	-
	16,500	(6,883)	23,383	-
Revenue and other sources over (under) expenditures and other uses	\$ -	43,055	\$ 43,055	27,272
Reconciliation of budgetary (modified accrual) basis to full accrual:				
Reconciling items:				
Principal retirement		12,799		12,799
Capital outlay		4,930		-
Loss on Disposal of asset		-		-
(Increase)/decrease in accrued vacation pay		170		160
Contributed Capital		-		-
Pension expense		(142)		(72)
Depreciation		(145,970)		(145,557)
Total reconciling items		(128,213)		(132,670)
Net income (loss)		\$ (85,158)		\$ (105,398)

Village of Alamance, North Carolina
Capital Reserve Fund - System Development Fees
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts For The Fiscal Year Ended June 30, 2018

Schedule 3

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Expenditures				
Capital Outlay Improvements	\$ -	\$ -	\$ -	\$ -
Capital Outlay Equipment	-	-	-	-
Total Expenditures	-	-	-	-
Revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Transfer to Water and Sewer Fund	-	-	-	-
Transfer from Water and Sewer Fund	-	1,000	1,000	-
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>1,000</u>	<u>\$ 1,000</u>	-
Fund balance, beginning		-		-
Fund balance, ending		<u>\$ 1,000</u>		<u>\$ -</u>

Village of Alamance, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2019

Schedule 4

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2018</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2019</u>
2018-2019	\$ -	\$ 232,211	\$ 229,568	\$ 2,643
2017-2018	771	-	174	597
2016-2017	621	-	98	523
2015-2016	239	-	-	239
2014-2015	232	-	-	232
2013-2014	313	-	69	244
2012-2013	186	-	-	186
2011-2012	154	-	-	154
2010-2011	141	-	16	125
2009-2010	151	-	-	151
2008-2009	59	-	59	-
	<u>\$ 2,867</u>	<u>\$ 232,211</u>	<u>229,984</u>	<u>5,094</u>

Less: Allowance for uncollectible ad valorem
taxes receivable

(511)

Ad valorem taxes receivable - net

\$ 4,583

Reconcilement with revenues:

Ad valorem taxes - General Fund

\$ 227,432

Reconciling items:

Interest collected (457)

Write-off of 2008-2009 taxes per statute
of limitations

59

Releases and adjustments

2,950

Subtotal

2,552

Total collections and credits

\$ 229,984

Village of Alamance, North Carolina
Analysis of Current Tax Levy
Village - Wide

Schedule 5

For the Fiscal Year Ended June 30, 2019

	Village - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Ad Valorem Property tax	\$ 102,892,546	0.20	\$ 205,785	\$ 205,785	\$ -
Motor vehicles	<u>13,212,996</u>	0.20	<u>26,426</u>	<u>-</u>	<u>26,426</u>
Total levy	<u>116,105,542</u>		<u>232,211</u>	<u>205,785</u>	<u>26,426</u>
Less: Uncollected tax at June 30, 2019			<u>(2,643)</u>	<u>(2,643)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 229,568</u>	<u>\$ 203,142</u>	<u>\$ 26,426</u>
Current levy collection percentage			<u>98.86%</u>	<u>98.72%</u>	<u>100.00%</u>