

ALEXANDER COUNTY NORTH CAROLINA

ANNUAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021

MARTIN  STARNES
—
& ASSOCIATES, CPAs, P.A.

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

**ALEXANDER COUNTY
NORTH CAROLINA**

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Independent Auditor's Report

To the Board of Commissioners
Alexander County
Taylorsville, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Alexander County, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Alexander County ABC Board, which represents 13.70%, 4.09%, and 87.75%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Alexander County ABC Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Alexander County ABC Board and Alexander County Economic Development Corporation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Alexander County, North Carolina, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in the notes to the financial statements, for the fiscal year ended June 30, 2021, Alexander County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Post-Employment Benefits' schedules, the Local Governmental Employees' Retirement System's schedules, the Register of Deeds' Supplemental Pension Fund schedules, and the Law Enforcement Officers' Special Separation Allowance schedules 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, economical, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Alexander County's basic financial statements. The combining and individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, the combining and individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2021, on our consideration of Alexander County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Alexander County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Alexander County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 5, 2021

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Management's Discussion and Analysis

As management of Alexander County, we offer readers of Alexander County's financial statements this narrative overview and analysis of the financial activities of Alexander County for the fiscal year ended June 30, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

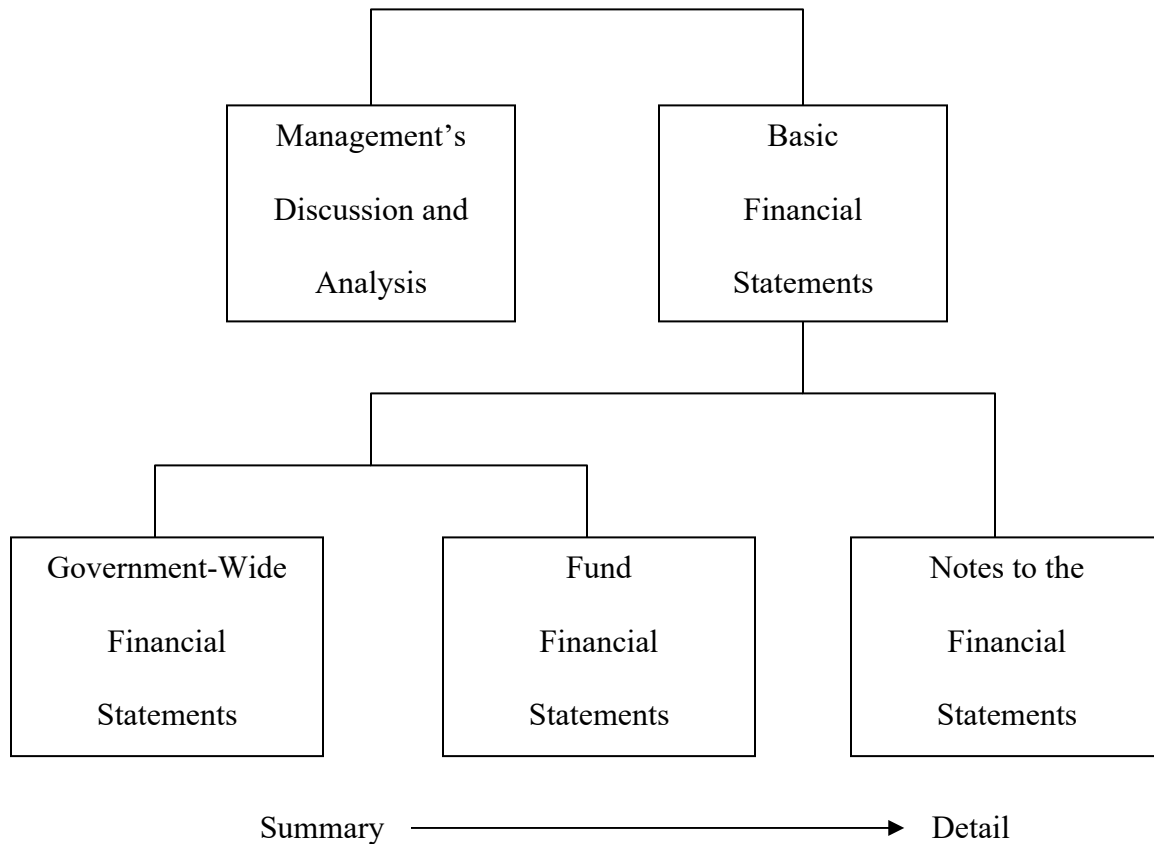
- The assets and deferred outflows of Alexander County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$34,429,128 (*net position*).
- The government's total net position increased by \$2,762,632, primarily due to maintaining the property tax rate, increases in revenue from permits, fees, sales, and services, the receipt of Medicaid hold harmless funds in excess of budget estimate, and continued growth in sales tax revenues. The implementation of GASB Statement No. 84, *Fiduciary Activities*, also contributed to the increase in net position due to activity that was once treated as agency funds.
- As of the close of the current fiscal year, Alexander County's governmental funds reported combined ending fund balances of \$28,146,966 after a net increase in fund balance of \$3,520,907. Approximately 27.08% of this total amount, or \$7,623,005, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$16,032,157, or 35.64%, of total General Fund expenditures and transfers out for the fiscal year.
- Alexander County's total debt increased by \$6,491,332 (76.57%) during the current fiscal year. The key factor in this increase is the receipt of loan proceeds from the NC Department of Environmental Quality for water and sewer projects. The loan funds are requested on a reimbursement basis as the projects progress.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

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

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

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

Government-Wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include most of the County's basic services such as public safety, human services, education, and general government administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer and landfill services offered by Alexander County. The final category is the component units. The Alexander County Economic Development Corporation (EDC) is a 501(c)(3) nonprofit exempt organization and is a legally separate entity. The Alexander County manager is on the seven-member Board of Directors as required by the EDC bylaws. Six seats on the Board are elected by the other Board members. The Alexander County ABC Board is legally separate from the County; however, the County is financially accountable for the Board by appointing its members. Also, the ABC Board is required to distribute its profits to the County.

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

Fund Financial Statements

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

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

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

Proprietary Funds. Alexander County 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. Alexander County uses enterprise funds to account for its water and sewer activity and for its landfill operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Alexander County has two fiduciary funds, which are custodial funds.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Alexander County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on Schedules 1 through 7 after the notes to the financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$34,429,128 as of June 30, 2021. The County's net position increased by \$2,762,632 for the fiscal year ended June 30, 2021. The increase was primarily due to maintaining the property tax rate and an increase in construction in progress for several projects using state loan funds. One of the largest portions, \$29,970,185 (87.05%), reflects the County's net investment in capital assets (e.g., land, buildings, machinery, and equipment). Alexander County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Alexander County'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 the capital assets cannot be used to liquidate these liabilities. An additional portion of Alexander County's net position, \$7,662,492 (22.26%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(3,203,549) (-9.30%) is unrestricted net position.

Alexander County's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	\$ 34,831,313	\$ 29,267,875	\$ 8,893,808	\$ 5,197,263	\$ 43,725,121	\$ 34,465,138
Capital assets	19,831,585	20,513,892	25,107,197	19,677,683	44,938,782	40,191,575
Total assets	<u>54,662,898</u>	<u>49,781,767</u>	<u>34,001,005</u>	<u>24,874,946</u>	<u>88,663,903</u>	<u>74,656,713</u>
Deferred Outflows of Resources	<u>8,956,791</u>	<u>4,626,596</u>	<u>168,982</u>	<u>92,708</u>	<u>9,125,773</u>	<u>4,719,304</u>
Liabilities:						
Long-term liabilities						
outstanding	42,252,318	32,354,939	15,033,215	7,220,112	57,285,533	39,575,051
Other liabilities	<u>1,811,447</u>	<u>3,231,609</u>	<u>1,726,467</u>	<u>1,437,315</u>	<u>3,537,914</u>	<u>4,668,924</u>
Total liabilities	<u>44,063,765</u>	<u>35,586,548</u>	<u>16,759,682</u>	<u>8,657,427</u>	<u>60,823,447</u>	<u>44,243,975</u>
Deferred Inflows of Resources	<u>2,385,635</u>	<u>3,311,208</u>	<u>151,466</u>	<u>169,137</u>	<u>2,537,101</u>	<u>3,480,345</u>
Net Position:						
Net investment in capital						
assets	16,435,585	16,513,892	13,534,600	15,612,014	29,970,185	32,125,906
Restricted	7,662,492	8,790,368	-	-	7,662,492	8,790,368
Unrestricted	<u>(6,927,788)</u>	<u>(9,793,653)</u>	<u>3,724,239</u>	<u>529,076</u>	<u>(3,203,549)</u>	<u>(9,264,577)</u>
Total net position	<u>\$ 17,170,289</u>	<u>\$ 15,510,607</u>	<u>\$ 17,258,839</u>	<u>\$ 16,141,090</u>	<u>\$ 34,429,128</u>	<u>\$ 31,651,697</u>

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

- Maintaining the property tax rate
- Increased sales tax revenue and Medicaid hold harmless revenue
- Savings from debt refunding

Alexander County's Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 4,831,525	\$ 5,850,298	\$ 5,345,025	\$ 4,915,046	\$ 10,176,550	\$ 10,765,344
Operating grants and contributions	6,302,889	4,546,341	-	-	6,302,889	4,546,341
Capital grants and contributions	-	-	584,012	147,351	584,012	147,351
General revenues:						
Property taxes	23,264,053	22,621,404	-	-	23,264,053	22,621,404
Other taxes	12,705,377	10,985,873	-	-	12,705,377	10,985,873
Grants and contributions not restricted to specific programs	-	-	114,277	106,011	114,277	106,011
Other	32,083	301,706	897	10,817	32,980	312,523
Total revenues	<u>47,135,927</u>	<u>44,305,622</u>	<u>6,044,211</u>	<u>5,179,225</u>	<u>53,180,138</u>	<u>49,484,847</u>
Expenses:						
General government	7,521,572	7,302,592	-	-	7,521,572	7,302,592
Public safety	14,505,502	13,799,929	-	-	14,505,502	13,799,929
Environmental protection	562,922	553,513	-	-	562,922	553,513
Economic and physical development	808,159	707,385	-	-	808,159	707,385
Human services	10,694,526	9,947,318	-	-	10,694,526	9,947,318
Cultural and recreation	1,417,467	1,255,444	-	-	1,417,467	1,255,444
Education	9,569,283	9,505,634	-	-	9,569,283	9,505,634
Interest and fees	99,166	150,571	-	-	99,166	150,571
Water and sewer	-	-	3,101,143	2,782,911	3,101,143	2,782,911
Solid waste	-	-	2,137,766	2,047,292	2,137,766	2,047,292
Total expenses	<u>45,178,597</u>	<u>43,222,386</u>	<u>5,238,909</u>	<u>4,830,203</u>	<u>50,417,506</u>	<u>48,052,589</u>
Change in net position before transfers	1,957,330	1,083,236	805,302	349,022	2,762,632	1,432,258
Transfers	<u>(312,447)</u>	<u>(957,414)</u>	<u>312,447</u>	<u>957,414</u>	<u>-</u>	<u>-</u>
Change in net position	<u>1,644,883</u>	<u>125,822</u>	<u>1,117,749</u>	<u>1,306,436</u>	<u>2,762,632</u>	<u>1,432,258</u>
Net Position:						
Beginning of year - July 1	15,510,607	15,384,785	16,141,090	14,834,654	31,651,697	30,219,439
Restatement	<u>14,799</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,799</u>	<u>-</u>
Beginning of year - July 1, restated	<u>15,525,406</u>	<u>15,384,785</u>	<u>16,141,090</u>	<u>14,834,654</u>	<u>31,666,496</u>	<u>30,219,439</u>
End of year - June 30	<u>\$ 17,170,289</u>	<u>\$ 15,510,607</u>	<u>\$ 17,258,839</u>	<u>\$ 16,141,090</u>	<u>\$ 34,429,128</u>	<u>\$ 31,651,697</u>

Governmental Activities. Governmental activities increased the County's net position by \$1,644,883 thereby accounting for 59.54% of the total increase in the net position of Alexander County. Key elements of this increase are as follows:

- Maintained the property tax rate in 2020-2021
- Increase in sales tax revenue
- Increase in Medicaid hold harmless revenue over the amount budgeted
- Increase in federal and state grant revenue

Business-Type Activities. Business-type activities increased Alexander County's net position by \$1,117,749, accounting for 40.46% of the total increase in the government's net position. Key elements of this increase are as follows:

- Increased revenues due to rate increases and growth in the activities that generate these revenues
- Sales tax funds for economic development used for water/sewer debt service

Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Alexander County. At the end of the current fiscal year, Alexander County's fund balance available in the General Fund was \$19,195,572, while total fund balance reached \$23,498,857. The County currently has an available fund balance of 42.68% of total General Fund expenditures and transfers out, while total fund balance represents 52.24% of that same amount.

At June 30, 2021, the governmental funds of Alexander County reported a combined fund balance of \$28,146,966, a 14.31% increase over last year. The primary reason for this increase is the increase in fund balance in the General Fund. The American Rescue Plan Fund had no revenue or expenditures during the fiscal year. The County received \$3,641,677 from the U.S. Treasury Department in June 2021.

General Fund Budgetary Highlights. During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased estimated revenues by approximately \$3,395,840, which is 8.8% more than originally budgeted. The County appropriated fund balance for the following types of activity: A) Capital projects-local funding of park improvement projects, B) Maintain services-use of appropriated fund balance to maintain service levels. The County also received additional federal and state funding during the year for elections, public safety, social services, public health, and other human services programs. The additional funding consisted of increases in grant revenues that were included in the original budget as well as new grants that had not been awarded when the budget was adopted. In addition, sales tax and Medicaid hold harmless revenues were more than the amount estimated in the original budget. Loan proceeds from a debt refunding also resulted in a significant budget amendment during the year. These items accounted for the primary difference between the originally adopted budget and the final budget.

Proprietary Funds. Alexander County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the major proprietary funds at the end of the fiscal year were as follows: County Water and Sewer Fund – \$2,484,213; Bethlehem Water Fund – \$3,558,726; Solid Waste Fund – (\$490,700) deficit; Landfill Closure Fund – (\$1,690,197) deficit; and Bethlehem Sewer Fund – (\$137,803) deficit. The total increase in net position for these five major funds was \$1,117,749. Other factors concerning the finances of these funds have already been addressed in the discussion of Alexander County's business-type activities.

Capital Asset and Debt Administration

Capital Assets. Alexander County's capital assets for its governmental and business-type activities as of June 30, 2021 total \$44,938,782 (net of accumulated depreciation). These assets include buildings, land, equipment, vehicles, and construction in progress.

Major capital asset transactions during the year include:

- Purchase of vehicles for public safety functions
- Purchase of equipment for public safety and general government functions
- Retirement of surplus vehicles from public safety and landfill operations
- Completion of prior year construction in progress for a school sewer project
- Construction in progress for a sewer system extension and pump station improvement project and water line extension projects

Alexander County's Capital Assets
Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 4,404,204	\$ 4,395,204	\$ 240,573	\$ 240,573	\$ 4,644,777	\$ 4,635,777
Construction in progress	168,165	-	10,311,053	4,756,358	10,479,218	4,756,358
Buildings	22,923,713	22,923,713	651,404	651,404	23,575,117	23,575,117
Other improvements	419,075	419,075	-	-	419,075	419,075
Equipment and machinery	5,328,884	5,115,651	648,881	648,881	5,977,765	5,764,532
Vehicles	4,311,194	4,254,387	352,494	360,994	4,663,688	4,615,381
Infrastructure	395,402	395,402	27,742,945	26,851,796	28,138,347	27,247,198
Furniture and fixtures	104,022	19,228	-	-	104,022	19,228
	<u>38,054,659</u>	<u>37,522,660</u>	<u>39,947,350</u>	<u>33,510,006</u>	<u>78,002,009</u>	<u>71,032,666</u>
Less: accumulated depreciation	<u>(18,223,074)</u>	<u>(17,008,768)</u>	<u>(14,840,153)</u>	<u>(13,832,323)</u>	<u>(33,063,227)</u>	<u>(30,841,091)</u>
Total	<u>\$ 19,831,585</u>	<u>\$ 20,513,892</u>	<u>\$ 25,107,197</u>	<u>\$ 19,677,683</u>	<u>\$ 44,938,782</u>	<u>\$ 40,191,575</u>

Additional information on the County's capital assets can be found in Note 2A of the basic financial statements.

Long-Term Debt. As of June 30, 2021, Alexander County had total debt outstanding of \$14,968,597, all of which is debt backed by the full-faith and credit of the County.

Alexander County's Outstanding Debt Notes Payable and General Obligation Bonds

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Notes payable - direct placements and direct borrowings	<u>\$ 3,396,000</u>	<u>\$ 4,411,596</u>	<u>\$ 11,572,597</u>	<u>\$ 4,065,669</u>	<u>\$ 14,968,597</u>	<u>\$ 8,477,265</u>

Alexander County's total debt increased by \$6,491,332 (76.57%) during the past fiscal year due to loan proceeds received on a reimbursement basis from the NC Department of Environmental Quality for water and sewer projects.

The State of North Carolina limits 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 Alexander County is approximately \$205,099,682.

Additional information regarding Alexander County's long-term debt can be found in Note 2B of this audited financial report.

Economic Factors and Fiscal Year End 2021 Budgets and Rates

The following key economic indicators reflect the conditions for growth and prosperity of the County.

- During the first part of fiscal year 2021, the County's unemployment rate was still being impacted by the COVID-19 pandemic. However, there was a noticeable improvement from the April 2020 rate of 20.1%, which was the second highest unemployment rate in the state. By June 2021, the County's unemployment rate was 4.3%, compared to the state average of 4.6%.
- The economic recovery, due to pent up demand, is evident in Alexander County as in other parts of the country. Demand for product is high but supply chains and the availability of employees are hampering the ability of companies to meet the demand. It is rare for a company to fill all available positions. The County also faces an extreme rate of out commuters with approximately 50% of the Alexander County workforce employed outside of the County. The total number of jobs inside the County remains stable at approximately 9,000.
- There is an ongoing shortage of quality vacant buildings, making recruitment of new employers to the County more difficult. The County has opened bids for a 50,000 square foot speculative industrial building to help alleviate the shortage of marketable buildings. Grant funds are still being sought to help fund this project.
- Commercial and retail growth continues to be focused in Taylorsville and Bethlehem. While no major national retailers opened, some 35 small retail operations opened during the fiscal year. Plans for Courthouse Park in downtown Taylorsville continued to develop as an encouragement to additional retail recruitment.

During the fiscal year, the state and the nation continued to be affected by the COVID-19 pandemic. Alexander County's response to the coronavirus included adopting a 2020-2021 budget with very conservative revenue estimates and no new employee positions being added. Capital outlay budgets were limited with purchases postponed until January 2021 so revenue collections could be evaluated before making the capital expenditures.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities. General Fund revenues, excluding transfers, are projected to increase \$1,355,000 (3.04%) from 2021 amounts. This is due to an estimated increase in the property tax valuation of \$47,609,000 (1.77%).

General Fund expenditures, excluding transfers and debt refunding, are projected to increase \$3,798,000 (9.89%) from 2021 amounts. The main factors for this include the 2.5% cost of living adjustment that became effective in April 2021 and will be in place for the full year of 2021-2022, increases in retiree health insurance participation and health insurance costs for current employees, increases in retirement expense due to higher employer contribution rates, the addition of 13 new employee positions, and capital outlay items.

Capital projects continuing in fiscal year 2022 include improvements to County parks.

Business-Type Activities. Budgeted expenditures in the Solid Waste Fund are projected to increase \$328,000 (16.74%) from 2021 amounts. The main factors for this include the need for a new floor in the solid waste transfer station, estimated at \$180,000, as well as increases in maintenance and repairs of buildings and grounds. The increases in health insurance costs and retirement contributions for current employees will also affect the Solid Waste Fund. Fees for landfill services will increase by an average of 10% to address the increase in expenses. Water rates will increase up to 3.00% to cover increased operating costs passed on from the County's water supplier. Water connection fees have been temporarily reduced to encourage growth in the number of water customers as the water system extension project continues.

Capital projects for the water system extension and the sewer system extension will be closing out in fiscal year 2022. Both of these projects are financed with low-interest loans through the State Reserve Project Loan program of the NC Department of Environmental Quality.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report, or requests for additional information should be directed to the Finance Director, Alexander County, 621 Liledoun Road, Taylorsville, North Carolina 28681. You can also call (828) 352-7587, visit our website www.alexandercountync.gov, or send an email to jherman@alexandercountync.gov for more information.

ALEXANDER COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Alexander County Economic Development Corporation	Alexander County ABC Board
Assets:					
Current assets:					
Cash and investments	\$ 24,785,058	\$ 8,359,616	\$ 33,144,674	\$ 471,716	\$ 43,368
Taxes receivable, net	1,073,106	-	1,073,106	-	-
Accounts receivable, net	727,770	550,192	1,277,962	-	-
Inventories	-	-	-	-	108,911
Due from other governments	3,598,686	-	3,598,686	-	-
Internal balances	16,000	(16,000)	-	-	-
Prepaid items	20,152	-	20,152	-	-
Cash and investments, restricted	4,548,882	-	4,548,882	-	-
Non-current assets:					
Net pension asset	61,659	-	61,659	-	-
Capital assets:					
Land and other non-depreciable assets	4,572,369	10,551,626	15,123,995	600,000	-
Depreciable assets, net	15,259,216	14,555,571	29,814,787	39,832	24,143
Capital assets, net	19,831,585	25,107,197	44,938,782	639,832	24,143
Total assets	54,662,898	34,001,005	88,663,903	1,111,548	176,422
Deferred Outflows of Resources:					
OPEB deferrals	4,824,981	85,691	4,910,672	-	-
Pension deferrals	4,131,810	83,291	4,215,101	-	-
Total deferred outflows of resources	8,956,791	168,982	9,125,773	-	-
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	928,366	1,712,718	2,641,084	5,250	-
Miscellaneous liabilities	883,081	13,749	896,830	-	50,958
Liabilities payable from restricted assets	3,654,510	-	3,654,510	-	-
Accrued interest	15,565	24,758	40,323	-	-
Current portion of compensated absences	792,000	7,600	799,600	-	-
Current portion of long-term debt	707,000	769,459	1,476,459	-	56,083
Total current liabilities	6,980,522	2,528,284	9,508,806	5,250	107,041
Non-current liabilities:					
Net pension liability - LGERS	6,698,376	124,008	6,822,384	-	-
Total pension liability - LEOSSA	1,246,557	-	1,246,557	-	-
Accrued landfill post-closure care costs	-	2,818,420	2,818,420	-	-
Non-current compensated absences	533,144	5,414	538,558	-	-
Total OPEB liability	25,916,166	480,418	26,396,584	-	-
Non-current portion of long-term debt	2,689,000	10,803,138	13,492,138	-	22,201
Total non-current liabilities	37,083,243	14,231,398	51,314,641	-	22,201
Total liabilities	44,063,765	16,759,682	60,823,447	5,250	129,242
Deferred Inflows of Resources:					
OPEB deferrals	2,218,018	143,410	2,361,428	-	-
Pension deferrals	107,355	8,056	115,411	-	-
Prepaid taxes	60,262	-	60,262	-	-
Total deferred inflows of resources	2,385,635	151,466	2,537,101	-	-
Net Position:					
Net investment in capital assets	16,435,585	13,534,600	29,970,185	-	-
Restricted for:					
Stabilization by state statute	4,319,093	-	4,319,093	-	-
Register of Deeds	33,249	-	33,249	-	-
Register of Deeds' pension plan	59,639	-	59,639	-	-
Public safety	460,760	-	460,760	-	-
General government	72,832	-	72,832	-	-
Human services	172,525	-	172,525	-	-
Economic and physical development	12,767	-	12,767	-	-
Education	2,531,627	-	2,531,627	-	-
Capital improvements	-	-	-	-	30,574
Working capital	-	-	-	-	16,606
With donor restrictions	-	-	-	136,442	-
Unrestricted	(6,927,788)	3,724,239	(3,203,549)	969,856	-
Total net position	\$ 17,170,289	\$ 17,258,839	\$ 34,429,128	\$ 1,106,298	\$ 47,180

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

ALEXANDER COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 7,521,572	\$ 830,152	\$ 284,194	\$ -
Public safety	14,505,502	1,997,008	669,971	-
Environmental protection	562,922	26,482	-	-
Economic and physical development	808,159	21,009	216,486	-
Human services	10,694,526	1,823,725	5,038,241	-
Cultural and recreation	1,417,467	41,539	93,997	-
Education	9,569,283	91,610	-	-
Interest and fees	99,166	-	-	-
Total governmental activities	45,178,597	4,831,525	6,302,889	-
Business-Type Activities:				
Water and sewer	3,101,143	3,431,036	-	584,012
Solid waste	2,137,766	1,913,989	-	-
Total business-type activities	5,238,909	5,345,025	-	584,012
Total primary government	\$ 50,417,506	\$ 10,176,550	\$ 6,302,889	\$ 584,012
Component Units:				
Alexander County				
Economic Development Corporation	\$ 233,706	\$ -	\$ 135,000	\$ -
ABC Board	984,901	1,032,727	-	-
Total component units	\$ 1,218,607	\$ 1,032,727	\$ 135,000	\$ -

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

ALEXANDER COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Net (Expense) Revenue and Changes in Net Position</u>			<u>Component Units</u>	
	<u>Primary Government</u>			<u>Alexander County</u>	<u>Alexander</u>
	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>	<u>Economic</u>	<u>County</u>
	<u>Activities</u>	<u>Activities</u>		<u>Development</u>	<u>ABC</u>
				<u>Corporation</u>	<u>Board</u>
Functions/Programs:					
Primary Government:					
Governmental Activities:					
General government	\$ (6,407,226)	\$ -	\$ (6,407,226)		
Public safety	(11,838,523)	-	(11,838,523)		
Environmental protection	(536,440)	-	(536,440)		
Economic and physical development	(570,664)	-	(570,664)		
Human services	(3,832,560)	-	(3,832,560)		
Cultural and recreation	(1,281,931)	-	(1,281,931)		
Education	(9,477,673)	-	(9,477,673)		
Interest and fees	(99,166)	-	(99,166)		
Total governmental activities	(34,044,183)	-	(34,044,183)		
Business-Type Activities:					
Water and sewer	-	913,905	913,905		
Solid waste	-	(223,777)	(223,777)		
Total business-type activities	-	690,128	690,128		
Total primary government	(34,044,183)	690,128	(33,354,055)		
Component Units:					
Alexander County					
Economic Development Corporation				\$ (98,706)	\$ -
ABC Board				-	47,826
Total component units				(98,706)	47,826
General Revenues:					
Ad valorem taxes	23,264,053	-	23,264,053	-	-
Local option sales taxes	12,180,690	-	12,180,690	-	-
Other taxes and licenses	524,687	-	524,687	-	-
Unrestricted intergovernmental revenues	-	114,277	114,277	-	-
Miscellaneous	-	-	-	7,500	-
Investment earnings, unrestricted	32,083	897	32,980	1,614	-
Total general revenues, excluding transfers	36,001,513	115,174	36,116,687	9,114	-
Transfers	(312,447)	312,447	-	-	-
Total general revenues and transfers	35,689,066	427,621	36,116,687	9,114	-
Change in net position	1,644,883	1,117,749	2,762,632	(89,592)	47,826
Net Position:					
Beginning of year - July 1	15,510,607	16,141,090	31,651,697	1,195,890	(646)
Restatement	14,799	-	14,799	-	-
Beginning of year - July 1, restated	15,525,406	16,141,090	31,666,496	1,195,890	(646)
End of year - June 30	\$ 17,170,289	\$ 17,258,839	\$ 34,429,128	\$ 1,106,298	\$ 47,180

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

ALEXANDER COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	Major		Other	
	General	American	Governmental	Total
	Fund	Rescue Plan	Funds	
		Act Fund		
Assets:				
Cash and investments	\$ 20,428,244	\$ -	\$ 4,356,814	\$ 24,785,058
Taxes receivable, net	1,001,608	-	71,498	1,073,106
Accounts receivable, net	727,770	-	-	727,770
Due from other governments	3,562,726	-	35,960	3,598,686
Due from other funds	16,000	-	-	16,000
Prepaid items	20,152	-	-	20,152
Restricted assets:				
Cash and investments, restricted	262,345	3,641,728	644,809	4,548,882
Total assets	<u>\$ 26,018,845</u>	<u>\$ 3,641,728</u>	<u>\$ 5,109,081</u>	<u>\$ 34,769,654</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 538,841	\$ -	\$ 389,525	\$ 928,366
Miscellaneous liabilities	883,081	-	-	883,081
Liabilities payable from restricted assets:				
Advances from grantor	12,833	3,641,677	-	3,654,510
Total liabilities	<u>1,434,755</u>	<u>3,641,677</u>	<u>389,525</u>	<u>5,465,957</u>
Deferred Inflows of Resources:				
Taxes receivable	1,001,608	-	71,498	1,073,106
Health Department receivables	23,363	-	-	23,363
Prepaid taxes	60,262	-	-	60,262
Total deferred inflows of resources	<u>1,085,233</u>	<u>-</u>	<u>71,498</u>	<u>1,156,731</u>
Fund Balances:				
Non-spendable:				
Prepaid items	20,152	-	-	20,152
Restricted:				
Stabilization by state statute	4,283,133	-	35,960	4,319,093
Restricted, all other	370,676	51	2,913,033	3,283,760
Committed	-	-	1,699,065	1,699,065
Assigned	2,792,739	-	-	2,792,739
Unassigned	16,032,157	-	-	16,032,157
Total fund balances	<u>23,498,857</u>	<u>51</u>	<u>4,648,058</u>	<u>28,146,966</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 26,018,845</u>	<u>\$ 3,641,728</u>	<u>\$ 5,109,081</u>	
Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				19,831,585
Net pension asset (ROD)				61,659
Net pension liability (LGERS)				(6,698,376)
OPEB liability				(25,916,166)
Total pension liability (LEOSSA)				(1,246,557)
Deferred inflows of resources related to pensions are not reported in the funds.				
ROD				(7,927)
LGERS				(79,183)
LEOSSA				(20,245)
Deferred inflows of resources related to OPEB are not reported in the funds.				(2,218,018)
Deferred outflows of resources related to pensions are not reported in the funds.				
ROD				5,907
LGERS				3,778,393
LEOSSA				347,510
Deferred outflows of resources related to OPEB are not reported in the funds.				4,824,981
Long-term liabilities, accrued interest, and compensated absences are not due and payable in the current period and, therefore, not reported in the funds.				(4,736,709)
Deferred inflows of resources in the governmental funds are used to offset accounts receivable not expected to be available within 60 days of year-end. These receivables are a component of net position in the Statement of Net Position.				1,096,469
Net position of governmental activities				<u>\$ 17,170,289</u>

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

ALEXANDER COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Major		Other	
	General Fund	American Rescue Plan Act Fund	Governmental Funds	Total
Revenues:				
Ad valorem taxes	\$ 21,807,293	\$ -	\$ 1,602,674	\$ 23,409,967
Local option sales taxes	12,180,690	-	-	12,180,690
Other taxes and licenses	307,074	-	217,613	524,687
Restricted intergovernmental revenues	5,410,146	-	892,743	6,302,889
Permits and fees	1,148,754	-	-	1,148,754
Sales and services	3,455,620	-	-	3,455,620
Interest earned on investments	30,882	51	1,150	32,083
Miscellaneous	213,750	-	-	213,750
Total revenues	<u>44,554,209</u>	<u>51</u>	<u>2,714,180</u>	<u>47,268,440</u>
Expenditures:				
General government	6,608,537	-	383,932	6,992,469
Public safety	11,382,292	-	2,149,086	13,531,378
Environmental protection	507,970	-	-	507,970
Economic and physical development	479,365	-	222,986	702,351
Human services	9,882,009	-	-	9,882,009
Cultural and recreation	1,009,986	-	290,524	1,300,510
Education	7,274,506	-	2,088,866	9,363,372
Debt service:				
Principal repayments	4,411,596	-	-	4,411,596
Interest	139,431	-	-	139,431
Total expenditures	<u>41,695,692</u>	<u>-</u>	<u>5,135,394</u>	<u>46,831,086</u>
Revenues over (under) expenditures	<u>2,858,517</u>	<u>51</u>	<u>(2,421,214)</u>	<u>437,354</u>
Other Financing Sources (Uses):				
Transfers in	1,266,639	-	2,970,771	4,237,410
Transfers (out)	(3,283,232)	-	(1,266,625)	(4,549,857)
Long-term debt issued	3,396,000	-	-	3,396,000
Total other financing sources (uses)	<u>1,379,407</u>	<u>-</u>	<u>1,704,146</u>	<u>3,083,553</u>
Net change in fund balances	<u>4,237,924</u>	<u>51</u>	<u>(717,068)</u>	<u>3,520,907</u>
Fund Balances:				
Beginning of year - July 1	19,246,134	-	5,365,126	24,611,260
Restatement	14,799	-	-	14,799
Beginning of year - July 1, as restated	<u>19,260,933</u>	<u>-</u>	<u>5,365,126</u>	<u>24,626,059</u>
End of year - June 30	<u>\$ 23,498,857</u>	<u>\$ 51</u>	<u>\$ 4,648,058</u>	<u>\$ 28,146,966</u>

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

ALEXANDER COUNTY, NORTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different due to the following items:

Net change in fund balances - total governmental funds (Exhibit D)	\$ 3,520,907
Property tax revenues in the Statement of Activities earned in prior periods are reported as revenues in the governmental funds statement.	(145,914)
Health Department fees in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.	13,401
Expenses related to compensated absences, other post-employment benefits, net pension obligation, and pension expense that do not require current financial resources and are not reported as expenditures in the governmental funds statement.	
Compensated absences	(45,680)
Pension expense - LGERS	(954,045)
Pension expense - ROD	4,708
Pension expense - LEOSA	(75,485)
Other post-employment benefits	(1,046,563)
Expenses related to accrued interest that do not require current financial resources are not reported as expenditures in the governmental funds statement.	40,265
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	1,034,519
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(1,716,826)
Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	4,411,596
Proceeds from issuance of debt are reported as revenues in the governmental funds statement. However, in the Statement of Activities, it is not a revenue, rather it is an increase in liabilities.	<u>(3,396,000)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 1,644,883</u>

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

ALEXANDER COUNTY, NORTH CAROLINA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund			
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Over/Under
Revenues:				
Ad valorem taxes	\$ 20,769,798	\$ 20,769,798	\$ 21,807,293	\$ 1,037,495
Local option sales taxes	8,555,000	10,362,817	12,180,690	1,817,873
Other taxes and licenses	311,300	306,300	307,074	774
Restricted intergovernmental revenues	4,713,970	6,163,529	5,410,146	(753,383)
Permits and fees	831,510	956,510	1,148,754	192,244
Sales and services	3,448,906	3,378,406	3,455,620	77,214
Investment earnings	50,000	30,000	30,882	882
Miscellaneous	105,744	214,708	213,750	(958)
Total revenues	<u>38,786,228</u>	<u>42,182,068</u>	<u>44,554,209</u>	<u>2,372,141</u>
Expenditures:				
General government	6,899,823	7,361,871	6,608,537	753,334
Public safety	12,478,971	12,813,050	11,382,292	1,430,758
Environmental protection	580,012	674,627	507,970	166,657
Economic and physical development	477,466	679,921	479,365	200,556
Human services	10,714,367	11,915,067	9,882,009	2,033,058
Cultural and recreation	1,273,273	1,292,245	1,009,986	282,259
Education	7,225,085	7,357,085	7,274,506	82,579
Debt service:				
Principal retirement	1,079,000	4,429,000	4,411,596	17,404
Interest and fees	132,000	142,000	139,431	2,569
Contingency	184,445	207,607	-	207,607
Total expenditures	<u>41,044,442</u>	<u>46,872,473</u>	<u>41,695,692</u>	<u>5,176,781</u>
Revenues over (under) expenditures	<u>(2,258,214)</u>	<u>(4,690,405)</u>	<u>2,858,517</u>	<u>7,548,922</u>
Other Financing Sources (Uses):				
Long-term debt issued	-	3,396,000	3,396,000	-
Transfers in	1,266,624	1,266,638	1,266,639	1
Transfers out	(1,848,000)	(3,407,624)	(3,283,232)	124,392
Appropriated fund balance	<u>2,839,590</u>	<u>3,435,391</u>	<u>-</u>	<u>(3,435,391)</u>
Total other financing sources (uses)	<u>2,258,214</u>	<u>4,690,405</u>	<u>1,379,407</u>	<u>(3,310,998)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>4,237,924</u>	<u>\$ 4,237,924</u>
Fund Balance:				
Beginning of year - July 1			19,246,134	
Restatement			<u>14,799</u>	
Beginning of year - July 1, as restated			<u>19,260,933</u>	
End of year - June 30			<u>\$ 23,498,857</u>	

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

ALEXANDER COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Enterprise Funds		
	County Water and Sewer Fund	Bethlehem Water District Fund	Solid Waste Fund
Assets:			
Current assets:			
Cash and investments	\$ 2,601,046	\$ 3,396,177	\$ 129,489
Accounts receivable, net	190,046	193,849	131,593
Total current assets	<u>2,791,092</u>	<u>3,590,026</u>	<u>261,082</u>
Non-current assets:			
Land and other non-depreciable assets	5,222,160	-	240,573
Depreciable assets, net of depreciation	10,375,728	3,283,705	321,813
Total non-current assets	<u>15,597,888</u>	<u>3,283,705</u>	<u>562,386</u>
Total assets	<u>18,388,980</u>	<u>6,873,731</u>	<u>823,468</u>
Deferred Outflows of Resources:			
OPEB deferrals	-	-	85,691
Pension deferrals	-	-	83,291
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>168,982</u>
Liabilities and Net Position:			
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	294,575	31,300	122,109
Due to other funds	-	-	16,000
Miscellaneous liabilities	-	-	13,749
Accrued interest	12,304	-	-
Current portion of long-term debt	594,342	-	-
Current portion of compensated absences	-	-	7,600
Total current liabilities	<u>901,221</u>	<u>31,300</u>	<u>159,458</u>
Non-current liabilities:			
Net pension liability	-	-	124,008
Non-current accrued landfill post-closure care costs	-	-	-
Non-current compensated absences	-	-	5,414
Total OPEB liability	-	-	480,418
Non-current portion of long-term debt	7,475,918	-	-
Total non-current liabilities	<u>7,475,918</u>	<u>-</u>	<u>609,840</u>
Total liabilities	<u>8,377,139</u>	<u>31,300</u>	<u>769,298</u>
Deferred Inflows of Resources:			
OPEB deferrals	-	-	143,410
Pension deferrals	-	-	8,056
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>151,466</u>
Net Position:			
Net investment in capital assets	7,527,628	3,283,705	562,386
Unrestricted	2,484,213	3,558,726	(490,700)
Total net position	<u>\$ 10,011,841</u>	<u>\$ 6,842,431</u>	<u>\$ 71,686</u>

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

ALEXANDER COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Enterprise Funds		
	Landfill Closure Fund	Bethlehem Sewer Fund	Total
Assets:			
Current assets:			
Cash and investments	\$ 1,137,393	\$ 1,095,511	\$ 8,359,616
Accounts receivable, net	-	34,704	550,192
Total current assets	1,137,393	1,130,215	8,909,808
Non-current assets:			
Land and other non-depreciable assets	-	5,088,893	10,551,626
Depreciable assets, net of depreciation	-	574,325	14,555,571
Total non-current assets	-	5,663,218	25,107,197
Total assets	1,137,393	6,793,433	34,017,005
Deferred Outflows of Resources:			
OPEB deferrals	-	-	85,691
Pension deferrals	-	-	83,291
Total deferred outflows of resources	-	-	168,982
Liabilities and Net Position:			
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	9,170	1,255,564	1,712,718
Due to other funds	-	-	16,000
Miscellaneous liabilities	-	-	13,749
Accrued interest	-	12,454	24,758
Current portion of long-term debt	-	175,117	769,459
Current portion of compensated absences	-	-	7,600
Total current liabilities	9,170	1,443,135	2,544,284
Non-current liabilities:			
Net pension liability	-	-	124,008
Non-current accrued landfill post-closure care costs	2,818,420	-	2,818,420
Non-current compensated absences	-	-	5,414
Total OPEB liability	-	-	480,418
Non-current portion of long-term debt	-	3,327,220	10,803,138
Total non-current liabilities	2,818,420	3,327,220	14,231,398
Total liabilities	2,827,590	4,770,355	16,775,682
Deferred Inflows of Resources:			
OPEB deferrals	-	-	143,410
Pension deferrals	-	-	8,056
Total deferred inflows of resources	-	-	151,466
Net Position:			
Net investment in capital assets	-	2,160,881	13,534,600
Unrestricted	(1,690,197)	(137,803)	3,724,239
Total net position	\$ (1,690,197)	\$ 2,023,078	\$ 17,258,839

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

ALEXANDER COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Enterprise Funds		
	County Water and Sewer Fund	Bethlehem Water District Fund	Solid Waste Fund
Operating Revenues:			
Water and sewer sales	\$ 1,560,690	\$ 1,589,286	\$ -
Convenience centers	-	-	297,712
Landfill	-	-	1,606,727
Total operating revenues	<u>1,560,690</u>	<u>1,589,286</u>	<u>1,904,439</u>
Operating Expenses:			
Convenience centers	-	-	195,800
Water and sewer operations	933,386	949,776	-
Landfill operations	-	-	1,662,916
Depreciation	679,036	247,162	54,562
Total operating expenses	<u>1,612,422</u>	<u>1,196,938</u>	<u>1,913,278</u>
Operating income (loss)	<u>(51,732)</u>	<u>392,348</u>	<u>(8,839)</u>
Non-Operating Revenues (Expenses):			
Investment earnings	401	483	-
Intergovernmental revenues	-	-	114,277
Interest and fees paid	(76,944)	-	-
Miscellaneous revenues	-	-	9,550
Total non-operating revenues (expenses)	<u>(76,543)</u>	<u>483</u>	<u>123,827</u>
Income (loss) before contributions and transfers	<u>(128,275)</u>	<u>392,831</u>	<u>114,988</u>
Capital contributions	<u>584,012</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers	<u>455,737</u>	<u>392,831</u>	<u>114,988</u>
Transfers:			
Transfer from other funds	574,672	-	-
Transfer to other funds	(138,956)	(123,269)	(60,000)
Total transfers	<u>435,716</u>	<u>(123,269)</u>	<u>(60,000)</u>
Change in net position	891,453	269,562	54,988
Net Position:			
Beginning of year - July 1	<u>9,120,388</u>	<u>6,572,869</u>	<u>16,698</u>
End of year - June 30	<u>\$ 10,011,841</u>	<u>\$ 6,842,431</u>	<u>\$ 71,686</u>

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

ALEXANDER COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Enterprise Funds		
	Landfill Closure Fund	Bethlehem Sewer Fund	Total
Operating Revenues:			
Water and sewer sales	\$ -	\$ 281,060	\$ 3,431,036
Convenience centers	-	-	297,712
Landfill	-	-	1,606,727
Total operating revenues	-	281,060	5,335,475
Operating Expenses:			
Convenience centers	-	-	195,800
Water and sewer operations	-	166,815	2,049,977
Landfill operations	224,488	-	1,887,404
Depreciation	-	35,570	1,016,330
Total operating expenses	224,488	202,385	5,149,511
Operating income (loss)	(224,488)	78,675	185,964
Non-Operating Revenues (Expenses):			
Investment earnings	13	-	897
Intergovernmental revenues	-	-	114,277
Interest and fees paid	-	(12,454)	(89,398)
Miscellaneous revenues	-	-	9,550
Total non-operating revenues (expenses)	13	(12,454)	35,326
Income (loss) before contributions and transfers	(224,475)	66,221	221,290
Capital contributions	-	-	584,012
Income (loss) before transfers	(224,475)	66,221	805,302
Transfers:			
Transfer from other funds	60,000	-	634,672
Transfer to other funds	-	-	(322,225)
Total transfers	60,000	-	312,447
Change in net position	(164,475)	66,221	1,117,749
Net Position:			
Beginning of year - July 1	(1,525,722)	1,956,857	16,141,090
End of year - June 30	\$ (1,690,197)	\$ 2,023,078	\$ 17,258,839

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

ALEXANDER COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Enterprise Funds		
	County Water and Sewer Fund	Bethlehem Water District Fund	Solid Waste Fund
Cash Flows from Operating Activities:			
Cash received from customers	\$ 1,659,006	\$ 1,575,415	\$ 1,892,815
Cash paid for goods and services	(732,369)	(953,943)	(1,405,169)
Cash paid to employees for services	-	-	(367,385)
Net cash provided (used) by operating activities	926,637	621,472	120,261
Cash Flows from Non-Capital Financing Activities:			
Other non-operating revenues (expenses)	-	-	123,827
Change in due to/from other funds	(2,241,596)	-	(55,128)
Interfund transfer in (out)	435,716	(123,269)	(60,000)
Net cash provided (used) by non-capital financing activities	(1,805,880)	(123,269)	8,699
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(3,169,330)	(58,300)	-
Principal paid on bonds and notes payable	(636,221)	-	-
Issuance of long-term debt	4,640,812	-	-
Interest and fees paid on bonds	(70,241)	-	-
Capital contributions	584,012	-	-
Net cash provided (used) by capital and related financing activities	1,349,032	(58,300)	-
Cash Flows from Investing Activities:			
Interest on investments	401	483	-
Net increase (decrease) in cash and cash equivalents	470,190	440,386	128,960
Cash and Cash Equivalents:			
Beginning of year - July 1	2,130,856	2,955,791	529
End of year - June 30	\$ 2,601,046	\$ 3,396,177	\$ 129,489
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (51,732)	\$ 392,348	\$ (8,839)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	679,036	247,162	54,562
(Increase) decrease in accounts receivable	98,316	(13,871)	(11,624)
(Increase) decrease in prepaids	-	-	11,934
(Increase) decrease deferred outflows - pension	-	-	(12,482)
Increase (decrease) in net pension liability	-	-	26,346
Increase (decrease) deferred inflows - pension	-	-	(311)
Increase (decrease) in accounts payable	201,017	(4,167)	64,104
Increase (decrease) in accrued salaries	-	-	(339)
(Increase) decrease deferred outflows - OPEB	-	-	(63,792)
Increase (decrease) deferred inflows - OPEB	-	-	(17,360)
Increase (decrease) in other post-employment benefits	-	-	82,316
Increase (decrease) in landfill post-closure liability	-	-	-
Increase (decrease) in accrued vacation pay	-	-	(4,254)
Net cash provided (used) by operating activities	\$ 926,637	\$ 621,472	\$ 120,261

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

ALEXANDER COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Enterprise Funds		
	Landfill Closure Fund	Bethlehem Sewer Fund	Total
Cash Flows from Operating Activities:			
Cash received from customers	\$ -	\$ 276,930	\$ 5,404,166
Cash paid for goods and services	(35,269)	(166,815)	(3,293,565)
Cash paid to employees for services	-	-	(367,385)
Net cash provided (used) by operating activities	(35,269)	110,115	1,743,216
Cash Flows from Non-Capital Financing Activities:			
Other non-operating revenues (expenses)	-	-	123,827
Change in due to/from other funds	-	-	(2,296,724)
Interfund transfer in (out)	60,000	-	312,447
Net cash provided (used) by non-capital financing activities	60,000	-	(1,860,450)
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	(3,196,286)	(6,423,916)
Principal paid on bonds and notes payable	-	-	(636,221)
Issuance of long-term debt	-	3,502,337	8,143,149
Interest and fees paid on bonds	-	-	(70,241)
Capital contributions	-	-	584,012
Net cash provided (used) by capital and related financing activities	-	306,051	1,596,783
Cash Flows from Investing Activities:			
Interest on investments	13	-	897
Net increase (decrease) in cash and cash equivalents	24,744	416,166	1,480,446
Cash and Cash Equivalents:			
Beginning of year - July 1	1,112,649	679,345	6,879,170
End of year - June 30	\$ 1,137,393	\$ 1,095,511	\$ 8,359,616
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (224,488)	\$ 78,675	\$ 185,964
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	35,570	1,016,330
(Increase) decrease in accounts receivable	-	(4,130)	68,691
(Increase) decrease in prepaids	-	-	11,934
(Increase) decrease deferred outflows - pension	-	-	(12,482)
Increase (decrease) in net pension liability	-	-	26,346
Increase (decrease) deferred inflows - pension	-	-	(311)
Increase (decrease) in accounts payable	6,609	-	267,563
Increase (decrease) in accrued salaries	-	-	(339)
(Increase) decrease deferred outflows - OPEB	-	-	(63,792)
Increase (decrease) deferred inflows - OPEB	-	-	(17,360)
Increase (decrease) in other post-employment benefits	-	-	82,316
Increase (decrease) in landfill post-closure liability	182,610	-	182,610
Increase (decrease) in accrued vacation pay	-	-	(4,254)
Net cash provided (used) by operating activities	\$ (35,269)	\$ 110,115	\$ 1,743,216

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

ALEXANDER COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2021

	<u>Custodial Funds</u>
Assets:	
Cash and cash equivalents	\$ 7,482
Taxes receivable for other governments, net	<u>23,994</u>
Total assets	<u>31,476</u>
Liabilities:	
Due to other governments	<u>7,482</u>
Net Position:	
Restricted for:	
Individuals, organizations, and other governments	<u>23,994</u>
Total fiduciary net position	<u>\$ 23,994</u>

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

ALEXANDER COUNTY, NORTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Custodial Funds
Additions:	
Property taxes collected for other governments	\$ 762,937
Collections on behalf of individuals/organizations	13,352
Total additions	<u>776,289</u>
Deductions:	
Property taxes distributed to other governments	756,955
Payments on behalf of individuals/organizations	13,352
Total deductions	<u>770,307</u>
Net increase (decrease) in fiduciary net position	<u>5,982</u>
Net position, beginning, as previously reported	-
Prior period restatement - change in accounting principle	18,012
Net position, beginning, as restated	<u>18,012</u>
Net position, ending	<u>\$ 23,994</u>

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ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

1. Summary of Significant Accounting Policies

The accounting policies of Alexander County (the “County”), its discretely presented component units, and its blended component unit conform to generally accepted accounting principles as they apply to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a five-member Board of Commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. The blended component unit, although it is a legally separate entity, is in substance, part of the County’s operations.

Component Units

Discretely Presented Component Units

The Alexander County Economic Development Corporation (the “EDC”) is a 501(c)(3) nonprofit exempt organization that exists for the purpose of engaging in charitable and educational efforts, and specifically to support economic and community development in Alexander County. The EDC Board of Directors is responsible for electing members to fill the seven-member Board. There are no statutory positions for elected officials. The EDC has a June 30 year-end and is presented on the government-wide statements of this report as a discretely presented component unit. The EDC issues separate financial statements, which may be obtained from Alexander County Economic Development Corporation 119 NC Hwy 16 N Suite A Taylorsville, NC 28681.

The Alexander County ABC Board (the “ABC Board”) was formed in 2020 and exists for the operation of the County’s ABC store. The members of the ABC Board’s governing board are appointed by the County. The ABC Board is required by state statute to distribute its surpluses to the General Fund of the County. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). The ABC Board issues separate financial statements, which may be obtained from General Manager Jacob R. Abernathy, Jr. at 9469-A Hwy 127 North, Hickory, 28601 or by calling 828-598-0251.

Blended Component Unit

The Bethlehem Water District exists to provide and maintain a water system for the County residents within its district. Under state law (G.S. 162A-89), the County’s Board of Commissioners also serve as the governing board for the District. Therefore, the District is reported as an enterprise fund in the County’s financial statements.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

B. Basis of Presentation, Basis of Accounting

Measurement Focus – Basis of Accounting

Government-Wide Statements. The Statement of Net Position and the Statement of Activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed, in whole or in part, by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

The County reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the County. It is used to account for all financial resources, except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, sales taxes, federal and state grants, and various other taxes and licenses. The primary expenditures are for general government, public safety, environmental protection, economic and physical development, human services, cultural and recreation, and education services. The Representative Payee,

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Fines and Forfeitures, and Deed of Trust that were formerly accounted for as fiduciary agency funds are consolidated in the General Fund as a result of the implementation of GASB Statement No. 84 – *Fiduciary Activities*.

American Rescue Plan Act Fund – The American Rescue Plan Act Fund is a Special Revenue Fund used to account for federal grant funds received due to the American Rescue Plan Act.

The County reports the following nonmajor governmental funds:

Special Revenue Funds. Special revenue funds are used to account for specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The County has the following special revenue funds: Fire Districts Fund, Revaluation Fund, Emergency Telephone System Fund, CDBG Project #16-E-2931 Borealis Compounds Building Reuse Fund, Borealis Compounds Inc. One NC Grant Project Fund, Paragon Films Building Reuse 2020 Fund, Coronavirus Relief Fund, and Piedmont Composites Building Reuse 2020 Fund.

Capital Project Funds. Capital project funds are used to account for the acquisition and or construction of major governmental capital assets. The County has the following capital project funds: Industrial Shell Building Project Fund, Park Improvements Capital Project Fund, and Capital Improvements Fund,.

The County reports the following major enterprise funds:

County Water and Sewer Fund – The County Water and Sewer Fund is used to account for the water and sewer operations for all areas of the County, except the Bethlehem Water District.

Bethlehem Water District Fund – The Bethlehem Water District Fund is used to account for the water system operations of the geographic area of the County designated as the Bethlehem Water District.

Solid Waste Fund – The Solid Waste Fund is used to account for the operations of the County’s landfill, solid waste transfer station, and garbage disposal and recycling convenience centers.

Landfill Closure Fund – The Landfill Closure Fund is used to account for the closure and post-closure care costs of the County’s landfill facility.

Bethlehem Sewer Fund – The Bethlehem Sewer Fund is used to account for the sewer operations of the geographic area of the County designed as the Bethlehem Sewer District.

The County has four enterprise funds – Capital Project Funds: Stony Point Elementary School Wastewater Project, Water Line Extension Project, and Industrial Timber Project are consolidated with the County Water and Sewer Fund for reporting purposes. The Sewer Collection Line Extension and Pump Station Upgrade Project is consolidated with the Bethlehem Sewer Fund for reporting purposes.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Municipal Tax Fund, which accounts for ad valorem and vehicle property taxes that are billed and collected by the County for various municipalities within the County but that are not revenues to the County, and the Sheriff's Civil Executions Fund, which accounts for monies collected by the Sheriff's office for civil judgements.

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

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, state law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. The billed taxes are applicable to the fiscal year in which are received. Uncollected taxes that were billed in periods prior to September 1, 2013, and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

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

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the special revenue funds (excluding the CDBG Project Number 16-E-2931 Borealis Compounds Building Reuse 2020, Borealis Compounds Inc. One NC Grant Project, Paragon Films Building Reuse 2020, Coronavirus Relief Fund, Piedmont Composites Building Reuse 2020 Project, and American Rescue Plan Act Fund), the Capital Improvements Fund, and the enterprise funds. All annual appropriations lapse at the fiscal year-end. A project ordinance is adopted for all capital project funds (excluding the Capital Improvements Fund), enterprise capital project funds, and those special revenue funds noted above.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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. The County Manager is authorized by the budget ordinance to transfer appropriations between departmental areas within a fund up to \$15,000; however, any revisions that alter total expenditures of any fund or that change departmental appropriations by more than \$15,000 must be approved by the governing board. During the year, several amendments to the original budget were necessary, the effects of which were not material. 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.

D. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant areas where estimates are made are allowance for doubtful accounts and depreciation lives.

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

Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the County 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).

The County's investments are carried at fair value. The North Carolina Capital Management Trust (NCCMT) is authorized by G.S. 159-30(c)(8). The Government Portfolio, is a 2a7 fund which invests in treasuries and government agencies and is rated AAAm by S&P and AAA-mf by Moody Investor Services. The Government Portfolio is reported at fair value.

Cash and Cash Equivalents

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

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Restricted Assets

Restricted assets in the General Fund and Other Governmental Funds consist of cash restricted for the purposes outlined below by external third parties or by law. Money in the Revaluation Fund is also classified as restricted because its use is restricted per North Carolina General Statute 153A-150. Money in the American Rescue Plan Act Fund is restricted due to unspent grant proceeds, monies to be used for a specific purpose.

<u>Restricted Cash</u>	<u>Purpose</u>	<u>Amount</u>	<u>Total</u>
Governmental Activities:			
General Fund:			
Public safety	Sheriff/substance abuse	\$ 79,354	
Human services	Adoption services	39,526	
Human services	CSE Incentives	45,084	
Economic and physical development	Cooperative extension services	12,767	
General government	PEG Channel	72,781	
General government	Advance from grantor	12,833	
Total General Fund			\$ 262,345
Other governmental funds:			
Revaluation Fund	Tax revaluation	\$ 644,809	
American Rescue Plan Act Fund	Advance from grantor	3,641,728	
Total other governmental funds			<u>4,286,537</u>
Total governmental activities			<u>\$ 4,548,882</u>

Ad Valorem Taxes Receivable

In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2020.

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 ten years.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used. Prepaid items for the County's governmental funds are treated using the consumption method.

Capital Assets

Purchased or constructed capital assets are recorded at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical value. The County has elected not to capitalize those interest costs, which are incurred during the construction period of capital assets.

Minimum capitalization costs are as follows: land, \$5,000; other improvements, \$5,000; equipment and vehicles, \$5,000. 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 on a straight-line basis over the following estimated useful lives:

<u>Asset</u>	<u>Estimated Useful Lives</u>
Buildings - new construction	40 years
Buildings - purchased	varies
Infrastructure	25 years
Other improvements	10-40 years
New vehicles	3-5 years
Equipment and used vehicles	3 years
Furniture and fixtures	3 years

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has two items that meet the criteria - pension and OPEB deferrals.

In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The County has several items that meet the criteria for this category – prepaid taxes and pension and OPEB deferrals as presented on the Statement of Net Position and taxes receivable and health department receivables additionally presented on the governmental balance sheet.

Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing source.

The County's long-term debt for the water districts and landfill is carried within the Enterprise Fund. The debt service requirements for the water districts' debt are being met by water revenues.

Compensated Absences

The vacation policy of the County provides for the accumulation of up to two hundred forty (240) hours earned vacation leave, with such leave being fully vested when earned. In the County's governmental and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The County has assumed an FIFO method of using accumulated compensation time. 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 statements.

The County'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 County has no 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 is 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 five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The governmental fund types classify fund balances as follows:

Non-Spendable Fund Balance. This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Prepaid Items – portion of fund balance that is not an available resource because it represents the year-end balance of prepaids, which are not spendable resources.

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

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

Restricted for Register of Deeds – portion of fund balance that is restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds' office.

Restricted for General Government – portion of fund balance restricted by revenue source for general government purposes.

Restricted for Education – portion of fund balance restricted by revenue source for school debt service and school capital outlay.

Restricted for Human Services – portion of fund balance restricted by revenue source for Human Services related activities such as DSS Adoption Enhancement funds – state, CSE Incentive- state, and DSS representative payee.

Restricted for Economic and Physical Development – portion of fund balance restricted by revenue source for economic and physical development purposes.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Restricted for Public Safety – portion of fund balance restricted by revenue source for public safety related activities such as Sheriff (\$16,872 federal shared assets and \$62,482 state unauthorized substance in the General Fund) and fire protection (\$118,615) and Emergency Telephone System Fund (\$262,791) in the Special Revenue Funds.

Restricted fund balance at June 30, 2021, is as follows:

Purpose	General Fund	American Rescue Plan Act Fund	Other Governmental Funds
Restricted, All Other:			
Register of Deeds	\$ 33,249	\$ -	\$ -
General government	72,781	51	-
Education	-	-	2,531,627
Human services	172,525	-	-
Economic and physical development	12,767	-	-
Public safety	-	-	381,406
Public safety - Federal Shared Asset program	16,872	-	-
Public safety - state unauthorized substance	62,482	-	-
Total	<u>\$ 370,676</u>	<u>\$ 51</u>	<u>\$ 2,913,033</u>

Restricted fund balance on Exhibit C differs from restricted net position on Exhibit A due to restricted for Register of Deeds pension plan of \$59,639.

Committed Fund Balance. This classification represents the portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Alexander County's governing body (highest level of decision-making authority, Board of Commissioners). The Board of Commissioners can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (adoption of another ordinance) to remove or reverse the limitation.

Committed for Tax Revaluation – portion of fund balance budgeted by the Board to be used for tax revaluation.

Committed for Future Capital Projects – portion of fund balance budgeted by the Board to be used for various future capital projects.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Committed fund balance at June 30, 2021, is as follows:

Purpose	Other Governmental Funds
Tax revaluation	\$ 639,990
Future capital projects	1,059,075
Total	<u>\$ 1,699,065</u>

Assigned Fund Balance. Assigned fund balance is the portion of fund balance that Alexander County intends to use for specific purposes. The County's governing body has the authority to assign fund balance.

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; however, the budget ordinance authorized the Manager to modify appropriations up to \$15,000 between departments within a fund.

Purpose	General Fund
Subsequent year's expenditures	<u>\$ 2,792,739</u>

Unassigned Fund Balance. Unassigned fund balance represents the portion of fund balance that has not been assigned to another fund or is not restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Alexander County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: debt proceeds, federal funds, state funds, local non-County funds, and County funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and, lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the County or when required by grant or other contractual agreements.

The County has not officially adopted a minimum fund balance policy.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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	\$ 23,498,857
Less:	
Prepays	(20,152)
Stabilization by state statute	<u>(4,283,133)</u>
Fund balance available for appropriation	<u>\$ 19,195,572</u>

Defined Benefit Pension and OPEB Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the state; the Local Governmental Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF); (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

2. Detail Notes on All Funds

A. Assets

Deposits

All of the County's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's agent in its name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County's agent in the entity'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

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for 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 State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institutions used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County has no formal policy regarding custodial credit risk for deposits.

At June 30, 2021, the County's deposits had a carrying amount of \$18,018,380 and a bank balance of \$18,159,752. Of the bank balance, \$485,832 was covered by federal depository insurance and \$17,673,920 by collateral held under the Pooling Method. Cash on hand was \$4,730 at June 30, 2021.

Investments

At June 30, 2021, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Valuation</u>	<u>Fair Value</u>	<u>Less Than 6 Months</u>
	<u>Measurement Method</u>		
N.C. Capital Management	Fair Value -		
Trust - Government Portfolio	Level 1	<u>\$ 19,677,928</u>	<u>\$ 19,677,928</u>

Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it was presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P and AAA-mf by Moody's Investor Service.

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

Level of Fair Value Hierarchy: Level 1: debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

Interest Rate Risk. The County has not adopted a formal investment policy addressing interest rate risk.

Credit Risk. The County has no formal policy regarding credit risk. The County's investments in the N.C. Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's and AAA-mf by Moody's Investor Services as of June 30, 2021.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Property Tax – Use-Value Assessment on Certain Lands

In accordance with the General Statutes, agriculture, horticulture, and forestland may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present-use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Year Levied	Tax	Interest	Total
2018	\$ 2,059,566	\$ 535,487	\$ 2,595,053
2019	2,181,609	370,873	2,552,482
2020	2,193,284	175,463	2,368,747
2021	2,211,043	-	2,211,043
Total	<u>\$ 8,645,502</u>	<u>\$ 1,081,823</u>	<u>\$ 9,727,325</u>

Receivables

Receivables at the government-wide level (Exhibit A) at June 30, 2021 were as follows:

	Accounts Receivable	Taxes Receivable	Due from Other Governments	Total
Governmental Activities:				
General	\$ 914,558	\$ 1,305,218	\$ 3,562,726	\$ 5,782,502
Other governmental	-	80,888	35,960	116,848
Total receivables	914,558	1,386,106	3,598,686	5,899,350
Allowance for doubtful accounts	(186,788)	(313,000)	-	(499,788)
Total governmental activities	<u>\$ 727,770</u>	<u>\$ 1,073,106</u>	<u>\$ 3,598,686</u>	<u>\$ 5,399,562</u>
Business-Type Activities:				
County Water and Sewer	\$ 190,046	\$ -	\$ -	\$ 190,046
Bethlehem Water	193,849	-	-	193,849
Solid Waste	131,640	-	-	131,640
Nonmajor funds	34,704	-	-	34,704
Total receivables	550,239	-	-	550,239
Allowance for doubtful accounts	(47)	-	-	(47)
Total business-type activities	<u>\$ 550,192</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 550,192</u>

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Due from other governments consisted of the following:

Local option sales tax	\$ 1,900,796
DSS revenues	517,257
Sales tax refund	294,931
Motor vehicle taxes	264,060
Medicaid hold harmless	304,594
Other	317,048
Total	<u>\$ 3,598,686</u>

At June 30, 2021, property taxes for other governments in the custodial fund is net of an allowance for doubtful account of \$3,836.

Capital Assets

A summary of changes in the County's governmental capital assets are as follows:

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2021</u>
Governmental Activities:				
Non-Depreciable Assets:				
Land	\$ 4,395,204	\$ 9,000	\$ -	\$ 4,404,204
Construction in progress	-	168,165	-	168,165
Total non-depreciable assets	<u>4,395,204</u>	<u>177,165</u>	<u>-</u>	<u>4,572,369</u>
Depreciable Assets:				
Buildings	22,923,713	-	-	22,923,713
Other improvements	419,075	-	-	419,075
Infrastructure	395,402	-	-	395,402
Equipment and machinery	5,115,651	361,544	(148,311)	5,328,884
Vehicles	4,254,387	411,016	(354,209)	4,311,194
Furniture and fixtures	19,228	84,794	-	104,022
Total depreciable assets	<u>33,127,456</u>	<u>857,354</u>	<u>(502,520)</u>	<u>33,482,290</u>
Total assets	<u>37,522,660</u>	<u>1,034,519</u>	<u>(502,520)</u>	<u>38,054,659</u>
Less Accumulated Depreciation:				
Buildings	(8,247,189)	(808,318)	-	(9,055,507)
Other improvements	(404,845)	(13,906)	-	(418,751)
Infrastructure	(316,321)	(79,081)	-	(395,402)
Equipment and machinery	(4,548,431)	(372,443)	148,311	(4,772,563)
Vehicles	(3,480,998)	(438,422)	354,209	(3,565,211)
Furniture and fixtures	(10,984)	(4,656)	-	(15,640)
Total accumulated depreciation	<u>(17,008,768)</u>	<u>(1,716,826)</u>	<u>502,520</u>	<u>(18,223,074)</u>
Capital assets, net	<u>\$ 20,513,892</u>	<u>\$ (682,307)</u>	<u>\$ -</u>	<u>\$ 19,831,585</u>

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

Governmental Activities:

General government	\$	471,787
Public safety		754,899
Environmental protection		18,541
Human services		139,953
Cultural and recreation		42,334
Economic and physical development		83,401
Education		205,911
Total	\$	<u>1,716,826</u>

Proprietary Capital Assets

The capital assets of the proprietary funds at June 30, 2021 are as follows:

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Transfers</u>	<u>June 30, 2021</u>
Business-Type Activities:				
County Water and Sewer Fund:				
Non-Depreciable Assets:				
Construction in progress	\$ 3,336,275	\$ 2,718,734	\$ (832,849)	\$ 5,222,160
Depreciable Assets:				
Infrastructure	18,455,656	-	832,849	19,288,505
Equipment and machinery	8,500	-	-	8,500
Total depreciable assets	<u>18,464,156</u>	<u>-</u>	<u>832,849</u>	<u>19,297,005</u>
Total assets	<u>21,800,431</u>	<u>2,718,734</u>	<u>-</u>	<u>24,519,165</u>
Less Accumulated Depreciation:				
Infrastructure	(8,233,741)	(679,036)	-	(8,912,777)
Equipment and machinery	(8,500)	-	-	(8,500)
Total accumulated depreciation	<u>(8,242,241)</u>	<u>\$ (679,036)</u>	<u>\$ -</u>	<u>(8,921,277)</u>
County Water and Sewer capital assets, net	<u>13,558,190</u>			<u>15,597,888</u>
Bethlehem Water District Fund:				
Depreciable Assets:				
Infrastructure	6,755,932	\$ 58,300	\$ -	6,814,232
Less Accumulated Depreciation:				
Infrastructure	(3,283,365)	\$ (247,162)	\$ -	(3,530,527)
Bethlehem Water capital assets, net	<u>3,472,567</u>			<u>3,283,705</u>

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2021</u>
Business-Type Activities (cont):					
Solid Waste Fund:					
Non-Depreciable Assets:					
Land	<u>240,573</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>240,573</u>
Depreciable Assets:					
Buildings	651,404	-	-	-	651,404
Infrastructure	217,411	-	-	-	217,411
Vehicles	360,994	-	(8,500)	-	352,494
Equipment and machinery	<u>640,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>640,381</u>
Total depreciable assets	<u>1,870,190</u>	<u>-</u>	<u>(8,500)</u>	<u>-</u>	<u>1,861,690</u>
Total assets	<u>2,110,763</u>	<u>-</u>	<u>(8,500)</u>	<u>-</u>	<u>2,102,263</u>
Less Accumulated Depreciation:					
Buildings	(371,034)	(16,626)	-	-	(387,660)
Infrastructure	(216,711)	(34)	-	-	(216,745)
Vehicles	(341,676)	(8,469)	8,500	-	(341,645)
Equipment and machinery	<u>(564,394)</u>	<u>(29,433)</u>	<u>-</u>	<u>-</u>	<u>(593,827)</u>
Total accumulated depreciation	<u>(1,493,815)</u>	<u>\$ (54,562)</u>	<u>\$ 8,500</u>	<u>\$ -</u>	<u>(1,539,877)</u>
Solid Waste capital assets, net	<u>616,948</u>				<u>562,386</u>
Bethlehem Sewer Fund:					
Non-Depreciable Assets:					
Construction in progress	<u>1,420,083</u>	<u>\$ 3,668,810</u>	<u>\$ -</u>	<u>\$ -</u>	<u>5,088,893</u>
Depreciable Assets:					
Infrastructure	<u>1,422,797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,422,797</u>
Total assets	<u>2,842,880</u>	<u>3,668,810</u>	<u>-</u>	<u>-</u>	<u>6,511,690</u>
Less Accumulated Depreciation:					
Infrastructure	<u>(812,902)</u>	<u>\$ (35,570)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(848,472)</u>
Bethlehem Sewer capital assets, net	<u>2,029,978</u>				<u>5,663,218</u>
Total business-type activities capital assets, net	<u>\$ 19,677,683</u>				<u>\$ 25,107,197</u>

The County contracts with the City of Hickory to provide billing and collection services, as well as maintenance on the water and sewer lines for the County Water and Sewer Fund, the Bethlehem Water District, and the Bethlehem Sewer Fund. Total service fees paid for the year ended June 30, 2021, were \$780,345 for the County Water and Sewer Fund, \$794,643 for the Bethlehem Water District, and \$139,580 for the Bethlehem Sewer Fund.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Construction Commitments

The County has active construction projects at June 30, 2021. The County's commitments with contractors are listed as follows for the following projects:

Project	Spent-to-Date	Remaining Commitment
2018 Water Line Extension Project	\$ 4,751,259	\$ 408,640
Sewer System Extension & Pump Station Upgrade Project	4,958,566	45,470
2019 Water System Extension Project	499,243	265,177
Courthouse Park Project	111,165	534,011
Total	<u>\$ 10,320,233</u>	<u>\$ 1,253,298</u>

Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2021 is composed of the following elements:

	Governmental Activities	Business-Type Activities
Capital assets	\$ 19,831,585	\$ 25,107,197
Long-term debt	(3,396,000)	(11,572,597)
Net investment in capital assets	<u>\$ 16,435,585</u>	<u>\$ 13,534,600</u>

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

B. Liabilities

Payables

Payables at the government-wide level (Exhibit A) at June 30, 2021 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental Activities:			
General	\$ 447,590	\$ 856,316	\$ 1,303,906
Other governmental	502,798	4,743	507,541
Total governmental activities	<u>\$ 950,388</u>	<u>\$ 861,059</u>	<u>\$ 1,811,447</u>
Business-Type Activities:			
County Water and Sewer	\$ 294,575	\$ -	\$ 294,575
Bethlehem Water	31,300	-	31,300
Solid Waste	122,109	13,749	135,858
Landfill Closure	9,170	-	9,170
Bethlehem Sewer	1,255,564	-	1,255,564
Total business-type activities	<u>\$ 1,712,718</u>	<u>\$ 13,749</u>	<u>\$ 1,726,467</u>

Pension Plan and Other Post-Employment Obligations

Local Governmental Employees' Retirement System

Plan Description. The County is a participating employer in the state-wide Local Governmental Employees' Retirement System (LGERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2021, was 10.84% of compensation for law enforcement officers and 10.22% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,384,770 for the year ended June 30, 2021.

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

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

At June 30, 2021, the County reported a liability of \$6,822,384 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the County's proportion was 0.19092% (measured as of June 30, 2020), which was an increase of 0.00601% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$2,352,369. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 861,547	\$ -
Changes of assumptions	507,718	-
Net difference between projected and actual earnings on pension plan investments	960,069	-
Changes in proportion and differences between County contributions and proportionate share of contributions	147,581	87,239
County contributions subsequent to the measurement date	1,384,770	-
Total	<u>\$ 3,861,685</u>	<u>\$ 87,239</u>

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

\$1,384,770 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ 661,756
2023	899,139
2024	544,650
2025	284,131
2026	-
Thereafter	-
Total	<u>\$ 2,389,676</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan actuary currently uses mortality rates based on the *R-P 2014 Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e., general, law enforcement officer), and health status (i.e., disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2019 valuation, with the exception of the discount rate, were based on the results of an actuarial experience study as of 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

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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, 2020 are summarized in the following table:

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

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	<u>\$ 13,841,876</u>	<u>\$ 6,822,384</u>	<u>\$ 988,694</u>

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

Law Enforcement Officers' Special Separation Allowance

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

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2019, the Separation Allowance's membership consisted of:

Retirees receiving benefits	6
Active plan members	<u>41</u>
Total	<u>47</u>

Summary of Significant Accounting Policies

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

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2019 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent per annum
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor per annum
Discount rate	1.93 percent per annum, compounded annually

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ended December 31, 2019.

Mortality Assumption: All mortality rates use Pub-2010 amount-weighted tables.

Mortality Projection: All mortality rates are projected from 2010 using generational improvement with Scare MP-2019.

Deaths After Retirement (Healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and set forward by 1 year.

Deaths After Retirement (Disabled Members at Retirement): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are set back 3 years for all ages.

Deaths After Retirement (Survivors of Deceased Members): Mortality rates are based on the Below-median Teachers Morality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

Deaths Prior to Retirement: Mortality rates are based on the Safety Mortality Table for Employees.

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this Plan is established and may be amended by the

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$57,167 as benefits came due for the reporting period.

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

At June 30, 2021, the County reported a total pension liability of \$1,246,557. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to the measurement date of December 31, 2020, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$142,917.

At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,719	\$ 433
Changes of assumptions	299,563	19,812
County benefit payments and plan administrative expense made subsequent to the measurement date	35,228	-
Total	<u>\$ 347,510</u>	<u>\$ 20,245</u>

The County paid \$35,228 in benefit payments subsequent to the measurement date that are reported as deferred outflows of resources related to pensions, which will be recognized as a decrease of the total pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ 65,353
2023	63,995
2024	61,122
2025	60,544
2026	41,023
Thereafter	-
Total	<u>\$ 292,037</u>

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate. The following presents the County's total pension liability calculated using the discount rate of 1.93 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	1% Decrease (0.93%)	Current Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	\$ 1,353,775	\$ 1,246,557	\$ 1,148,709

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

	2021
Beginning balance	\$ 900,925
Service cost	48,443
Interest on the total pension liability	28,438
Difference between expected and actual experience in the measurement of the total pension liability	3,238
Changes of assumptions or other inputs	322,680
Benefit payments	(57,167)
Ending balance of the total pension liability	\$ 1,246,557

Changes of Assumptions. Changes of assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.26% at December 31, 2019 to 1.93% at December 31, 2020 (measurement date).

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five year period ending December 31, 2019.

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income Plan (the "Plan"), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The state's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. The County contributed \$117,286 for the reporting year. No amounts were forfeited.

Register of Deeds' Supplemental Pension Fund

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

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,282 for the year ended June 30, 2021.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

At June 30, 2021, the County reported an asset of \$61,659 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2021, the County's proportion was 0.26904% (measured as of June 30, 2020), which was an increase of 0.01102% from its proportion as of June 30, 2020 (measured as of June 30, 2019).

For the year ended June 30, 2021, the County recognized pension expense of \$1,424. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,256
Net difference between projected and actual earnings on pension plan investments	-	5,276
Changes in proportion and differences between County contributions and proportionate share of contributions	2,624	1,395
County contributions subsequent to the measurement date	3,282	-
Total	<u>\$ 5,906</u>	<u>\$ 7,927</u>

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

\$3,282 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending June 30, 2022. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	
June 30	Amount
2022	\$ (303)
2023	(1,290)
2024	(2,381)
2025	(1,329)
2026	-
Thereafter	-
Total	<u>\$ (5,303)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study as of 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

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2020 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

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

	1% Decrease (2.75%)	Current Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (52,371)	\$ (61,659)	\$ (69,517)

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

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

The net pension liability (asset) for LGERS and ROD was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019. The total pension liability for LEOSSA was measured as of December 31, 2020, with an actuarial valuation date of December 31, 2019.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate share of net pension liability (asset)	\$ 6,822,384	\$ (61,659)	n/a	\$ 6,760,725
Proportion of the net pension liability (asset)	0.19092%	0.26904%	n/a	-
Total pension liability	-	-	1,246,557	1,246,557
Pension expense	2,352,369	1,424	142,917	2,496,710

At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Outflows of Resources:</u>				
Pensions - difference between expected and actual experience	\$ 861,547	\$ -	\$ 12,719	\$ 874,266
Pensions - difference between projected and actual investment earnings	960,069	-	-	960,069
Changes of assumptions	507,718	-	299,563	807,281
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	147,581	2,624	-	150,205
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,384,770	3,282	35,228	1,423,280
Total	<u>\$ 3,861,685</u>	<u>\$ 5,906</u>	<u>\$ 347,510</u>	<u>\$ 4,215,101</u>

Deferred Inflows of Resources:

Pensions - difference between expected and actual experience	\$ -	\$ 1,256	\$ 433	\$ 1,689
Net difference between projected and actual earnings on pension plan investments	-	5,276	-	5,276
Changes of assumptions	-	-	19,812	19,812
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	87,239	1,395	-	88,634
Total	<u>\$ 87,239</u>	<u>\$ 7,927</u>	<u>\$ 20,245</u>	<u>\$ 115,411</u>

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Other Post-Employment Benefits

Plan Description. The County (by local policy) provides post-employment medical insurance benefits to retirees of the County through a single employer defined benefit plan, provided they retire through the North Carolina Local Governmental Employees' Retirement System (LGERS) and meet the following requirements.

Benefits Provided. Employees who have at least fifteen (15) years of consecutive service with Alexander County, were hired before July 1, 2008, retire under the North Carolina Local Governmental Employees' Retirement System (NCLGERS), and are actively employed with the County at the time of retirement are eligible to participate in the County's retiree health care benefits plan upon retirement.

Employees who have at least thirty (30) years of consecutive service with Alexander County, were hired on and after July 1, 2008 but before July 1, 2009, retire under the North Carolina Local Governmental Employees' Retirement System (NCLGERS), and are actively employed with the County at the time of retirement are eligible to participate in the County's retiree health care benefits plan upon retirement.

Employees hired on or after July 1, 2009 are not eligible to participate in the County's retiree health care benefits plan upon retirement.

The County will contribute to the cost of retiree insurance premiums based on the years of service with Alexander County at retirement using the following schedule:

<u>Date of Hire with County</u>	<u>Years of County Service at Retirement</u>	<u>County Contribution</u>
On or After July 1, 2009	Any	Not eligible
July 1, 2008 to June 30, 2009	30 or more	100%
July 1, 2008 to June 30, 2009	Less than 30	Not eligible
Before July 1, 2008	20 or more	100%*
Before July 1, 2008	15 – 19	0%
Before July 1, 2008	Less than 15	Not eligible

*For qualified retirees who occupy a part-time with benefits position (50% or greater) and are paying a pro-rated share of insurance at retirement, the retiree will continue to pay the pro-rated share.

Qualified retirees (those receiving 100% County Contribution in the table above) will be provided with Medicare Supplement insurance upon Medicare eligibility age. Healthcare and prescription drugs are provided in the County's retiree healthcare plan. Dependents are offered COBRA coverage for 18 months after retirement, and the coverage must be paid in full by the retiree. COBRA benefits were deemed to be de minimis and were not valued.

A separate report was not issued for the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Medical insurance coverage will only be extended to qualified retirees until they become eligible for Medicare. For participants in the non-reduced retiree health benefits plan: when the qualified retiree becomes eligible for Medicare, the County will provide retiree health benefits by supplemental medical insurance only. For participants in the reduced retiree health benefits plan: when the qualified retiree becomes eligible for Medicare, participation in the County's group health plan will cease. The County Commissioners may amend the benefit provisions. The County has chosen to fund the benefits on a pay-as-you-go basis.

Membership of the Plan consisted of the following at June 30, 2020:

Inactive plan members or beneficiaries	
currently receiving benefit payments	55
Active plan members	89
Total	<u>144</u>

Total OPEB Liability

The County's total OPEB liability of \$26,396,584 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Real wage growth	1.00 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	
General employees	3.50 to 7.75 percent
Firefighters	3.50 to 7.75 percent
Law enforcement officers	3.50 to 7.35 percent
Municipal bond index rate	
Prior measurement date	3.50 percent
Measurement date	2.21 percent
Health Care Cost Trends	
Pre-Medicare medical and prescription drug	7.00 percent for 2020 decreasing to an ultimate rate of 4.50% by 2030
Medicare medical and prescription drug	5.25 percent for 2020 decreasing to an ultimate rate of 4.50% by 2024

The discount rate is based on the yield of the S&P Municipal Bond 20-Year High Grade Rate Index as of the measurement date.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2020	\$ 21,063,577
Changes for the year:	
Service cost	502,516
Interest	747,199
Differences between expected and actual experience	(44,869)
Changes of assumptions or other inputs	4,567,029
Benefit payments	(438,868)
Net changes	5,333,007
Balance at June 30, 2021	\$ 26,396,584

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% to 2.21%.

The County selected a Municipal Bond Index Rate equal to the Bond Buyer 20-Year General Obligation Bond Index published at the last Thursday of June by the bond buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the TOL.

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2020 valuation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$ 31,535,859	\$ 26,396,584	\$ 22,401,754

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

	1% Decrease	Current	1% Increase
Total OPEB liability	<u>\$ 22,080,097</u>	<u>\$ 26,396,584</u>	<u>\$ 32,003,540</u>

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

For the year ended June 30, 2021, the County recognized OPEB expense of \$1,595,497. At June 30, 2021, the County reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,818	\$ 937,321
Changes of assumptions	4,350,085	1,424,107
Benefit payments and plan administrative expense made subsequent to the measurement date	547,769	-
Total	<u>\$ 4,910,672</u>	<u>\$ 2,361,428</u>

\$547,769 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date and an estimated implicit subsidy credit, will be recognized as a decrease of the total OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Total
2022	\$ 345,783
2023	345,782
2024	872,388
2025	437,522
2026	-
Thereafter	-
Total	<u>\$ 2,001,475</u>

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (the "Death Benefit Plan"), a multiple-employer, state-administered, cost-sharing plan funded on a one-year-term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the Death Benefit Plan, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the Death Benefit Plan at the time of death, are eligible for death benefits. Lump-sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

The County provides life insurance in the amount of \$12,500 to all full-time and eligible part-time employees. Internal Revenue Service (IRS) regulations dictate that the cost of group-term life insurance provided to an employee by his employer for coverage that exceeds \$50,000 is taxable to the employee as a fringe benefit.

Closure and Post-Closure Care Costs – Landfill Facility

Federal and state laws and regulations require the County to place a final cover on its current operating cell at the landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The County also has a closed cell at the landfill facility for which the entire amount of the closure and post-closure costs has been recognized as the cell capacity was used. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$2,818,420 reported as landfill closure and post-closure care liability at June 30, 2021, represents a cumulative amount reported to date based on the use of 56% of the total estimated capacity of the construction and demolition operating cell of the landfill. The County will recognize the remaining estimated cost of closure and post-closure care of \$2,214,472 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2021. The County closed the material solid waste operating cell at the landfill facility in fiscal year 1998 and expects to close the construction and demolition operating cell in 2033. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The County has met the requirements of a local government financial test that is one option under federal and state laws and regulations that help determine if a unit is financially able to meet closure and post-closure care requirements. However, the County has elected to establish a Landfill Closure Fund, a proprietary fund type, to accumulate resources for the payment of closure and post-closure care costs. A transfer of \$60,000 was made to the Landfill Closure Fund during the fiscal year ended June 30, 2021. The Landfill Closure Fund has \$1,137,393 in cash at June 30, 2021.

The County expects that future inflation costs will be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future tax revenues.

Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience (pensions, OPEB)	\$ 887,084	\$ 939,010
Changes of assumptions (pensions, OPEB)	5,157,366	1,443,919
Net difference between projected and actual earnings on pension plan investments (pensions)	960,069	5,276
Changes in proportion and differences between County contributions and proportionate share of contributions (pensions)	150,205	88,634
Benefit payments for the OPEB plan paid subsequent to the measurement date	547,769	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	35,228	-
County contributions subsequent to the measurement date (LGERS & ROD)	1,388,052	-
Taxes receivable, net (General Fund and Special Revenue Fund)	-	1,073,106
Health department receivables, net (General Fund)	-	23,363
Prepaid taxes (General Fund)	-	60,262
Total	<u>\$ 9,125,773</u>	<u>\$ 3,633,570</u>

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County obtains workers' compensation and employer liability insurance through Key Risk Insurance Company with workers' compensation coverage up to the statutory limits and employer liability coverage subject to a limit of \$1,000,000. The County obtains property coverage through Argonaut Great Central Insurance Company equal to replacement cost values of owned property subject to a limit of \$51 million for any one occurrence; general, auto, public officials, law enforcement, and employment practices liability coverage of \$1 million per occurrence; auto physical damage coverage for owned autos at actual cash value (ambulances at replacement cost); and crime coverage of \$250,000 per occurrence. The County obtains medical and dental insurance for employees through BlueCross BlueShield of NC and Ameritas, respectively. The County uses a third-party administrator to manage the group medical and dental insurance plans.

The County participates in the National Flood Insurance Program (NFIP) with Flood Insurance Rate Maps that designate two County-owned properties as having a one-percent annual chance of a 100-year flood in any given year. For the Law Enforcement and Detention Center, the County carries a NFIP policy through Auto-Owners Insurance with a \$500,000 limit and a \$5,000 deductible. For all other properties, the County has not secured flood insurance through the NFIP but carries flood insurance with a \$1,000,000 limit and a \$50,000 deductible through the County's property insurance carrier.

The County carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year. One settled claim during the 2020-2021 fiscal year exceeded insurance coverage by approximately \$27,000. The County increased the amount of coverage for that type of loss during 2020-2021 to prevent such occurrences in the future.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Finance Director, the Tax Administrator/Collector, and the County Manager are individually bonded for \$100,000 each. The Sheriff and Register of Deeds are bonded for \$25,000 and \$10,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000. This blanket bond also covers the County positions named above.

Contingent Liabilities

At June 30, 2021, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Long-Term Obligations

Direct Placement Notes Payable

Notes payable at June 30, 2021 are comprised of the following individual agreements:

Governmental Funds (notes payable from direct placement):

\$3,396,000 October 2020 agreement to refinance an existing loan that paid for the construction of the County's law enforcement and detention center, due in 10 semi-annual principal payments ranging from \$326,000 to \$354,000, plus interest at 1.10% through January 2026, secured by a deed of trust.

\$ 3,396,000

The County's outstanding note from direct placement related to the law enforcement and detention center and courthouse of \$3,396,000 is secured by a deed of trust. This borrowing contains provisions that in the event of a default, the bank may, without any further demand or notice, exercise any one or more of the following remedies:

- (a) Declare the unpaid principal components of the installment payments immediately due and payable;
- (b) Proceed by appropriate court action to enforce the County's performance of the applicable covenants of the contract or to recover for the breach thereof; and
- (c) Avail itself of all available remedies under the contract, including execution and foreclosure on the mortgaged property and recovery of attorneys' fees and other expenses.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

County Water and Sewer Fund:

\$3,600,645 June 2009 Drinking Water State Revolving Fund agreement to construct water system due on May 1 in installments of \$200,036, with interest payable on May 1 and November 1 at 2.10% through May 2028, unsecured. \$ 1,400,251

\$3,287,176 February 2015 Drinking Water State Revolving Fund agreement to construct a water system improvement project payments beginning May 2016 in annual installments of \$165,439, with 0% interest payable through May 2035, unsecured. 2,301,023

\$4,640,812 March 2020 Drinking Water State Revolving Fund agreement to construct water lines due on May 1 in annual installments of \$229,947, with interest payable on May 1 and November 1 at 0.86% through May 2040, unsecured. The project is still active and once completed, the full amount of the loan will be \$5,436,528. The amount here is what has been drawn down to date. The County expects to complete this project during FY 2022. 4,368,986

Bethlehem Sewer Fund:

\$3,502,337 June 2020 Drinking Water State Revolving Fund agreement to construct sewage system due on May 1 in annual installments of \$175,117, with interest payable on May 1 and November 1 at 0.80% through May 2041, unsecured. The project is still active and once completed, the full amount of the loan will be \$5,181,300. The amount here is what has been drawn down to date. The County expects to complete this project during FY 2022. 3,502,337

Total proprietary funds 11,572,597

Total all funds \$ 14,968,597

The County's outstanding notes from direct borrowings related to construction of a water system, construction of water system improvement project, construction of water lines, and construction of a sewage system of \$1,400,251, \$2,301,023, \$4,368,986, and \$3,502,337 respectively, contain provisions that the County may be required by NC Department of Environmental Quality to prepay the promissory note in whole and any further commitment of funds be withdrawn if the County fails to adopt on or before completion of the project, place into effect, and agree to maintain until the principal sum is paid, a schedule of fees, charges and other available funds, that will adequately provide for proper operation, maintenance, and administration of the project and for repayment of all principal and interest on the loans. Additionally, any monies due to the County from the state may be withheld by the state and applied to the payment of the obligation whenever the County fails to pay any payment of principal or interest on the note when due.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Annual debt service requirements to maturity for the County's direct placements and direct borrowings notes payable are as follows:

Governmental Activities:

Governmental Funds:

Year Ending June 30	Principal	Interest	Total
2022	\$ 707,000	\$ 35,409	\$ 742,409
2023	693,000	27,676	720,676
2024	679,000	20,092	699,092
2025	665,000	12,661	677,661
2026	652,000	5,379	657,379
Total governmental funds	<u>3,396,000</u>	<u>101,217</u>	<u>3,497,217</u>

Business-Type Activities:

Proprietary Funds:

Year Ending June 30	County Water and Sewer		Bethlehem Sewer Fund	
	Principal	Interest	Principal	Interest
2022	\$ 594,342	\$ 66,979	\$ 175,117	\$ 31,949
2023	594,342	60,800	175,117	26,618
2024	594,342	54,622	175,117	25,217
2025	594,342	48,444	175,117	23,816
2026	594,342	42,265	175,117	22,415
2027-2031	2,371,599	131,255	875,584	91,061
2032-2036	1,807,168	69,214	875,584	56,037
2037-2041	919,783	19,775	875,584	21,014
Total proprietary funds	<u>8,070,260</u>	<u>493,354</u>	<u>3,502,337</u>	<u>298,127</u>

Business-Type Activities:

Year Ending June 30	Principal	Interest	Total
2022	\$ 769,459	\$ 98,928	\$ 868,387
2023	769,459	87,418	856,877
2024	769,459	79,839	849,298
2025	769,459	72,260	841,719
2026	769,459	64,680	834,139
2027-2031	3,247,183	222,316	3,469,499
2032-2036	2,682,752	125,251	2,808,003
2037-2041	1,795,367	40,789	1,836,156
Total proprietary funds	<u>11,572,597</u>	<u>791,481</u>	<u>12,364,078</u>
Total notes payable	<u>\$ 14,968,597</u>	<u>\$ 892,698</u>	<u>\$ 15,861,295</u>

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

A summary of changes in long-term obligations follows:

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2021</u>	<u>Current Portion</u>
Governmental Activities:					
Notes payable - direct placements	\$ 4,411,596	\$ 3,396,000	\$ 4,411,596	\$ 3,396,000	\$ 707,000
Compensated absences	1,279,464	837,752	792,072	1,325,144	792,000
Total OPEB liability	20,665,475	5,681,586	430,895	25,916,166	-
Total pension liability (LEOSSA)	900,925	402,799	57,167	1,246,557	-
Net pension obligation (LGERS)	4,952,086	1,746,290	-	6,698,376	-
Total	<u>\$ 32,209,546</u>	<u>\$ 12,064,427</u>	<u>\$ 5,691,730</u>	<u>\$ 38,582,243</u>	<u>\$ 1,499,000</u>
Business-Type Activities:					
County Water and Sewer Fund:					
Notes payable - direct borrowings	<u>\$ 4,065,669</u>	<u>\$ 4,640,812</u>	<u>\$ 636,221</u>	<u>\$ 8,070,260</u>	<u>\$ 594,342</u>
Bethlehem Sewer Fund:					
Notes payable- direct borrowings	<u>-</u>	<u>3,502,337</u>	<u>-</u>	<u>3,502,337</u>	<u>175,117</u>
Solid Waste Fund:					
Total OPEB liability	398,102	90,289	7,973	480,418	-
Compensated absences	17,268	3,416	7,670	13,014	7,600
Net pension obligation (LGERS)	<u>97,662</u>	<u>26,346</u>	<u>-</u>	<u>124,008</u>	<u>-</u>
Total	<u>513,032</u>	<u>120,051</u>	<u>15,643</u>	<u>617,440</u>	<u>7,600</u>
Landfill Closure Fund:					
Accrued landfill post-closure costs	<u>2,635,810</u>	<u>224,488</u>	<u>41,878</u>	<u>2,818,420</u>	<u>-</u>
Total business-type activities	<u>\$ 7,214,511</u>	<u>\$ 8,487,688</u>	<u>\$ 693,742</u>	<u>\$ 15,008,457</u>	<u>\$ 777,059</u>

At June 30, 2021, the County had a legal debt margin of \$205,099,682.

Compensated absences, pension obligations, and OPEB for governmental activities have typically been liquidated in the General Fund.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

C. Interfund Balances and Activity

The following is a summary of interfund receivables and payables as of June 30, 2021:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Solid Waste Fund	<u>\$ 16,000</u>	Interfund loan payable

Transfers for the year ended June 30, 2021, are summarized below:

	<u>From</u>	<u>To</u>	<u>Purpose</u>
Transfers From/to Other Funds:			
General Fund	\$ 3,283,232	\$ -	
Capital Project (Capital Improvements) Fund	-	1,767,472	School sales tax hold harmless funds; Resources for school construction
Capital Project (Park Improvements Project) Fund	-	1,201,299	Local funds for parks & recreation project
Capital Project (Piedmont Composites Building Reuse Project) Fund	-	2,000	Local funds for economic development grant project
Enterprise (County Water and Sewer CPF Industrial Timber Project) Fund	-	4,000	Local funds for economic development grant project
Enterprise (County Water and Sewer) Fund	-	308,461	Use of Art. 44*524 sales tax for debt service
Enterprise (County Water and Sewer CPF Stony Point Elementary School Wastewater Project) Fund	14	-	Return unused local funds to General fund- closed grant project
General Fund	-	14	
Enterprise (County Water and Sewer CPF Water Line Extension Project) Fund	138,942	-	Reimburse water fund for prior year expenditures that were claimed on
Enterprise (County Water and Sewer) Fund	-	138,942	DEQ loan draw # 1
Solid Waste Fund	60,000	-	Resources for landfill closure and postclosure
Landfill Closure Fund	-	60,000	
Capital Project (Shell Building Project) Fund	1,266,625	-	Return unused local funds to General Fund - closed project
General Fund	-	1,266,625	
Enterprise (Bethlehem Water) Fund	123,269	-	Resources for debt service on a project that benefits both water funds
Enterprise (County Water and Sewer) Fund	-	123,269	
Total transfers	<u>\$ 4,872,082</u>	<u>\$ 4,872,082</u>	

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

3. Summary Disclosure of Significant Contingencies

Federal and State-Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required, and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

4. Jointly Governed Organizations

The County, in conjunction with three other counties and twenty-three municipalities, established the Western Piedmont Council of Governments (the "Council"). The participating governments established the Council to coordinate various funding received from federal and state agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$48,273 and administrative and other fees of \$33,115 to the Council during the fiscal year ended June 30, 2021.

Vaya Health is the MH/DD/SAS area program for the following 22 counties: Alexander, Alleghany, Ashe, Avery, Buncombe, Caldwell, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Swain, Transylvania, Watauga, Wilkes, and Yancey. The County Commissioners are responsible for appointing two of the 46 members of the Board of Directors of Vaya Health for MH/DD/SAS. The County Commissioners also appoint one at-large member to the Vaya Health Board, but this member has no voting power. The County's accountability for this organization does not extend beyond making these appointments.

The County, in conjunction with three other counties (Burke, Caldwell, and Catawba) and three municipalities (Hickory, Conover, and Newton), established the Western Piedmont Regional Transit Authority (RTA) which began operations as of July 1, 2008. Each participating government appoints one member and one alternate to the RTA's governing board. The County paid \$47,483 as a special appropriation to the RTA during the fiscal year ended June 30, 2021.

5. Related Organizations

The Alexander County Economic Development Corporation and the Alexander County ABC Board are component units of Alexander County and, therefore, are related parties. For the fiscal year ended June 30, 2021, the County gave a contribution to the EDC of \$125,000 for operational costs. The County received \$2,871 for tax distributions from the Alexander County ABC Board.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

6. Summary Disclosure of Significant Commitments and Contingencies

Coronavirus Disease (COVID-19)

During the fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19), a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to the County, COVID-19 may continue to impact various parts of its fiscal year 2021-22 operations and financial results. Management believes the County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

7. Subsequent Event

Alexander County was awarded \$7,283,353 from the Federal American Rescue Plan (ARP). The County received \$3,641,677 in June 2021. The remaining amount of \$3,641,676 is expected to be received within the next 12 months.

8. Change in Accounting Principle

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 84 *Fiduciary Activities*, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

As part of implementing the statement, the County performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, fund balance and net position was restated as of the beginning of the fiscal year as follows:

Governmental Activities Net Position - Increase (Decrease)	General Fund Balance - Increase (Decrease)	Fiduciary Net Position - Custodial Fund - Increase (Decrease)
---	---	--

<u>\$ 14,799</u>	<u>\$ 14,799</u>
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Cash received under the Social Security Administration's Representative Payee Program net of liabilities owed for payments on behalf of beneficiaries were reclassified out of the Agency Fund into the General Fund. The portion of liabilities in the Agency Fund representing net cash available at the beginning of the year were restated as fund balance.

Cash, taxes receivables and liabilities related to ad valorem and vehicle property taxes collected by the County on behalf of various municipalities were reclassified out of the Agency Fund into the Custodial Fund. The portion of liabilities attributable to taxes receivable at the beginning of the year were restated as custodial net position.

<u>\$ 18,012</u>

ALEXANDER COUNTY, NORTH CAROLINA

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
LAST FOUR FISCAL YEARS**

	Other Post-Employment Benefits			
	2021	2020	2019	2018
Beginning balance	\$ 21,063,577	\$ 18,919,608	\$ 21,096,276	\$ 22,281,113
Service cost	502,516	447,913	614,532	701,420
Interest on TOL and cash flows	747,199	728,543	746,404	666,149
Differences between expected and actual experience	(44,869)	20,141	(2,026,704)	318
Changes of assumptions or other inputs	4,567,029	1,333,049	(1,248,862)	(2,250,682)
Benefit payments	(438,868)	(385,677)	(262,038)	(302,042)
Ending balance of the total pension liability	<u>\$ 26,396,584</u>	<u>\$ 21,063,577</u>	<u>\$ 18,919,608</u>	<u>\$ 21,096,276</u>
Covered payroll	\$ 4,313,896	\$ 4,844,429	\$ 4,844,429	\$ 5,395,422
Total OPEB liability as a percentage of covered payroll	611.90%	434.80%	390.54%	391.00%

Notes to Schedule:

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

Fiscal Year	Rate
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

This schedule is intended to show information for ten years.
Additional years' information will be displayed as it becomes available.

ALEXANDER COUNTY, NORTH CAROLINA

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

	Local Governmental Employees' Retirement System			
	2021	2020	2019	2018
County's proportion of the net pension liability (asset) (%)	0.19092%	0.18491%	0.18217%	0.18628%
County's proportion of the net pension liability (asset) (\$)	\$ 6,822,384	\$ 5,049,748	\$ 4,321,696	\$ 2,845,844
County's covered payroll	\$ 13,224,436	\$ 12,478,024	\$ 11,840,407	\$ 11,273,216
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	51.59%	40.47%	36.50%	25.24%
Plan fiduciary net position as a percentage of total pension liability**	88.61%	90.86%	91.63%	94.18%

Notes to the Schedule:

* 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.

This schedule is intended to show information for ten years.

Additional years' information will be displayed as it becomes available.

ALEXANDER COUNTY, NORTH CAROLINA

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

	Local Governmental Employees' Retirement System			
	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.19470%	0.19330%	0.19219%	0.17920%
County's proportion of the net pension liability (asset) (\$)	\$ 4,132,187	\$ 867,519	\$ (1,133,437)	\$ 2,160,048
County's covered payroll	\$ 11,190,724	\$ 11,199,058	\$ 10,804,503	\$ 9,947,711
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	36.93%	7.75%	-10.49%	21.71%
Plan fiduciary net position as a percentage of total pension liability**	91.47%	98.09%	102.64%	94.35%

ALEXANDER COUNTY, NORTH CAROLINA

**ALEXANDER COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS**

	Local Governmental Employees' Retirement System			
	2021	2020	2019	2018
Contractually required contribution	\$ 1,384,770	\$ 1,203,342	\$ 986,192	\$ 905,906
Contributions in relation to the contractually required contribution	<u>1,384,770</u>	<u>1,203,342</u>	<u>986,192</u>	<u>905,906</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 13,462,439	\$ 13,224,436	\$ 12,478,024	\$ 11,840,407
Contributions as a percentage of covered payroll	10.29%	9.10%	7.90%	7.65%

Notes to the Schedule:

This schedule is intended to show information for ten years.

Additional years' information will be displayed as it becomes available.

ALEXANDER COUNTY, NORTH CAROLINA

**ALEXANDER COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS**

	Local Governmental Employees' Retirement System			
	2017	2016	2015	2014
Contractually required contribution	\$ 843,491	\$ 771,344	\$ 800,901	\$ 767,041
Contributions in relation to the contractually required contribution	<u>843,491</u>	<u>771,344</u>	<u>800,901</u>	<u>767,041</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 11,273,216	\$ 11,190,724	\$ 11,199,058	\$ 10,804,503
Contributions as a percentage of covered payroll	7.48%	6.89%	7.15%	7.10%

ALEXANDER COUNTY, NORTH CAROLINA

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

	Register of Deeds' Supplemental Pension Fund			
	2021	2020	2019	2018
County's proportion of the net pension liability (asset) (%)	0.26904%	0.25802%	0.28513%	0.27700%
County's proportion of the net pension liability (asset) (\$)	\$ (61,659)	\$ (50,938)	\$ (47,226)	\$ (47,281)
County's covered payroll	\$ 54,478	\$ 51,258	\$ 54,734	\$ 53,738
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-113.18%	-99.38%	-86.28%	-87.98%
Plan fiduciary net position as a percentage of the total pension liability**	173.62%	164.11%	153.31%	153.77%

Notes to the Schedule:

* 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 ROD plan.

This schedule is intended to show information for ten years.

Additional years' information will be displayed as it becomes available.

ALEXANDER COUNTY, NORTH CAROLINA

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

	Register of Deeds' Supplemental Pension Fund			
	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.28472%	0.28474%	0.29199%	0.26106%
County's proportion of the net pension liability (asset) (\$)	\$ (53,232)	\$ (65,986)	\$ (66,171)	\$ (55,762)
County's covered payroll	\$ 53,687	\$ 53,635	\$ 53,583	\$ 53,532
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-99.15%	-123.03%	-123.49%	-104.17%
Plan fiduciary net position as a percentage of the total pension liability**	160.17%	197.29%	193.88%	190.50%

ALEXANDER COUNTY, NORTH CAROLINA

**ALEXANDER COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS**

	Register of Deeds' Supplemental Pension Fund			
	2021	2020	2019	2018
Contractually required contribution	\$ 3,282	\$ 2,576	\$ 2,452	\$ 2,440
Contributions in relation to the contractually required contribution	<u>3,282</u>	<u>2,576</u>	<u>2,452</u>	<u>2,440</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Alexander County's covered payroll	\$ 55,912	\$ 54,478	\$ 51,258	\$ 54,734
Contributions as a percentage of covered payroll	5.87%	4.73%	4.78%	4.46%

Notes to the Schedule:

This schedule is intended to show information for ten years.

Additional years' information will be displayed as it becomes available.

ALEXANDER COUNTY, NORTH CAROLINA

**ALEXANDER COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS**

	Register of Deeds' Supplemental Pension Fund			
	2017	2016	2015	2014
Contractually required contribution	\$ 2,407	\$ 2,326	\$ 2,278	\$ 2,384
Contributions in relation to the contractually required contribution	2,407	2,326	2,278	2,384
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Alexander County's covered payroll	\$ 53,738	\$ 53,687	\$ 53,635	\$ 53,583
Contributions as a percentage of covered payroll	4.48%	4.33%	4.25%	4.45%

ALEXANDER COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
LAST FIVE FISCAL YEARS

	Law Enforcement Officers' Special Separation Allowance				
	2021	2020	2019	2018	2017
Beginning balance	\$ 900,925	\$ 831,550	\$ 828,599	\$ 736,944	\$ 703,068
Service cost	48,443	37,141	36,574	36,484	42,066
Interest on the total pension liability	28,438	29,627	25,679	27,937	24,851
Differences between expected and actual experience in the measurement of the total pension liability	3,238	12,183	4,957	(1,409)	-
Changes of assumptions or other inputs	322,680	25,642	(32,286)	55,020	(19,122)
Benefit payments	(57,167)	(35,218)	(31,973)	(26,377)	(13,919)
Ending balance of the total pension liability	<u>\$ 1,246,557</u>	<u>\$ 900,925</u>	<u>\$ 831,550</u>	<u>\$ 828,599</u>	<u>\$ 736,944</u>

Notes to the Schedule:

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

This schedule is intended to show information for ten years.

Additional years' information will be displayed as it becomes available.

ALEXANDER COUNTY, NORTH CAROLINA

**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
LAST FIVE FISCAL YEARS**

	Law Enforcement Officers' Special Separation Allowance				
	2021	2020	2019	2018	2017
Total pension liability	\$ 1,246,557	\$ 900,925	\$ 831,550	\$ 828,599	\$ 736,944
Covered payroll	1,700,625	1,499,809	1,390,740	1,580,388	1,652,773
Total pension liability as a percentage of covered payroll	73.30%	60.07%	59.79%	52.43%	44.59%

Notes to the Schedule:

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

This schedule is intended to show information for ten years.

Additional years' information will be displayed as it becomes available.

ALEXANDER COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad Valorem Taxes:				
Taxes	\$ 20,619,798	\$ 21,637,306	\$ 1,017,508	\$ 20,741,931
Penalties and interest	150,000	169,987	19,987	158,254
Total	20,769,798	21,807,293	1,037,495	20,900,185
Local Option Sales Taxes:				
Article 39 one percent	3,054,000	3,178,995	124,995	2,623,244
Article 40 one-half of one percent	2,846,000	3,286,025	440,025	2,866,432
Article 42 one-half of one percent	1,324,000	1,736,882	412,882	1,448,193
Article 44 one-half of one percent	-	10	10	5
Article 46 one-fourth of one percent	695,920	748,743	52,823	602,166
Article 44*524	1,689,897	1,689,897	-	1,629,150
Medicaid Hold Harmless	753,000	1,540,138	787,138	1,298,710
Total	10,362,817	12,180,690	1,817,873	10,467,900
Other Taxes and Licenses:				
ABC \$.05 per bottle	3,300	8,199	4,899	5,034
Alcoholic beverage tax distribution	151,000	151,354	354	155,578
Video programming distribution	152,000	147,521	(4,479)	151,766
Total	306,300	307,074	774	312,378
Restricted Intergovernmental Revenues:				
Federal and state grants	5,931,529	5,170,078	(761,451)	4,503,201
Controlled substance tax	1,000	17,885	16,885	13,968
Representative payee	196,000	192,377	(3,623)	-
Court facility fees	35,000	29,806	(5,194)	29,172
Total	6,163,529	5,410,146	(753,383)	4,546,341
Permits and Fees:				
Register of Deeds	472,000	542,999	70,999	382,286
Building inspections	400,000	453,238	53,238	439,147
Gun and concealed weapon permits	12,500	61,470	48,970	40,725
Other fees	72,010	91,047	19,037	81,148
Total	956,510	1,148,754	192,244	943,306
Sales and Services:				
Rents, concessions, and fees	144,230	141,031	(3,199)	202,958
Detention center fees	52,900	62,728	9,828	536,745
Ambulance fees	1,365,000	1,214,600	(150,400)	1,346,567
Parks and Recreation Department	80,700	35,405	(45,295)	38,087
Health department	1,345,038	1,632,437	287,399	1,191,938
Information technology	3,500	3,157	(343)	7,943
Social services	45,000	17,290	(27,710)	36,492
Senior center	8,000	2,616	(5,384)	6,341
License plate agency	121,500	178,141	56,641	133,290
Library	5,000	165	(4,835)	2,568
Animal services	55,000	53,842	(1,158)	46,241
Fines and Forfeitures	130,000	91,610	(38,390)	-
State payments - soil and water technical assistance	22,538	22,598	60	21,628
Total	3,378,406	3,455,620	77,214	3,570,798

ALEXANDER COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Investment Earnings	30,000	30,882	882	245,969
Miscellaneous:				
Insurance claim reimbursement	-	11,709	11,709	63,164
Donations	26,243	28,663	2,420	29,183
Grant	162,243	154,742	(7,501)	106,029
Sale of fixed assets	4,000	5,656	1,656	18,061
Other	22,222	12,980	(9,242)	211,950
Total	214,708	213,750	(958)	428,387
Total revenues	42,182,068	44,554,209	2,372,141	41,415,264
Expenditures:				
General Government:				
Governing body	478,092	382,304	95,788	360,538
Administration	415,798	405,563	10,235	399,687
Planning	109,861	105,250	4,611	187,361
Elections	440,592	323,168	117,424	244,636
Finance	792,748	697,951	94,797	817,260
Tax office	659,256	625,163	34,093	593,427
Information technology	1,220,347	1,160,585	59,762	1,124,040
Register of Deeds	473,452	446,082	27,370	395,176
License plate agency	179,451	171,896	7,555	158,831
Public buildings	1,069,321	1,003,171	66,150	890,799
Garage	265,675	245,523	20,152	246,238
Human resources	1,085,518	898,733	186,785	817,447
Court facilities	171,760	143,148	28,612	120,554
Total	7,361,871	6,608,537	753,334	6,355,994
Public Safety:				
Sheriff's office	3,777,369	3,299,699	477,670	2,882,847
Detention center	2,931,161	2,699,422	231,739	2,769,197
Pre-trial release program	123,111	66,587	56,524	99,986
RRS program	110,382	98,316	12,066	92,726
Fire/emergency services	726,759	546,683	180,076	410,618
Emergency communications	975,174	943,735	31,439	909,497
Forestry	52,004	41,412	10,592	46,709
Inspections	441,642	412,779	28,863	419,010
Emergency medical services	3,637,448	3,245,959	391,489	3,011,878
Medical examiner	38,000	27,700	10,300	25,050
Total	12,813,050	11,382,292	1,430,758	10,667,518
Environmental Protection:				
Soil and water	237,232	104,032	133,200	114,526
Animal services	437,395	403,938	33,457	387,690
Total	674,627	507,970	166,657	502,216

ALEXANDER COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Economic and Physical Development:				
Economic development	451,314	287,364	163,950	236,457
Agricultural extension	228,607	192,001	36,606	218,100
Total	679,921	479,365	200,556	454,557
Health Department:				
Environmental health	360,255	427,864	(67,609)	394,507
General health	232,633	131,543	101,090	244,970
Maternal health	183,848	94,711	89,137	141,596
WIC program	158,484	139,674	18,810	157,537
Dental health	580,411	617,639	(37,228)	575,712
Family planning	198,697	100,785	97,912	151,863
Communicable disease	161,824	100,032	61,792	127,288
Health promotion	105,232	43,868	61,364	74,389
Child health	261,816	196,582	65,234	210,297
Adult health	109,977	38,699	71,278	46,517
Preparedness	41,662	30,067	11,595	30,069
Care management for at-risk children	121,237	78,090	43,147	71,011
Care management for high-risk pregnancy	91,170	63,029	28,141	60,000
Behavioral health	110,517	59,698	50,819	90,134
COVID-19 crisis response	703,180	435,702	267,478	91,239
Primary care	153,067	91,963	61,104	135,936
Total	3,574,010	2,649,946	924,064	2,603,065
Veterans Service	79,431	77,680	1,751	81,198
Juvenile Crime Prevention	142,292	142,292	-	131,583
Social Services Department:				
Administration	5,467,423	4,837,994	629,429	4,820,159
In-home services	115,664	74,617	41,047	80,545
Public assistance	131,870	118,324	13,546	112,090
Emergency assistance account	9,500	6,469	3,031	6,397
Medical assistance	35,600	19,110	16,490	22,853
General assistance	722,998	580,091	142,907	522,605
Foster care	503,360	415,369	87,991	334,003
Adoption Enhancement Fund	20,000	11,664	8,336	8,956
Work first	30,690	24,804	5,886	28,521
Representative Payee	196,000	119,265	76,735	-
Aging nutrition	199,870	164,311	35,559	159,644
Total	7,432,975	6,372,018	1,060,957	6,095,773
Special appropriations	512,281	501,296	10,985	417,439
Senior center	174,078	138,777	35,301	206,671
Total human services	11,915,067	9,882,009	2,033,058	9,535,729
Cultural and Recreation:				
Parks and recreation	718,940	465,279	253,661	581,911
Library	573,305	544,707	28,598	553,291
Total	1,292,245	1,009,986	282,259	1,135,202

ALEXANDER COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Education:				
Alexander County Board of Education:				
Current expenses	7,065,060	7,065,060	-	6,800,000
CVCC - Alexander County:				
Current expenses	140,025	95,836	44,189	109,143
Adult Basic Education Academy	22,000	22,000	-	22,000
Total	162,025	117,836	44,189	131,143
Fines and forfeitures:	130,000	91,610	38,390	-
Total education	7,357,085	7,274,506	82,579	6,931,143
Debt Service:				
Principal retirement	4,429,000	4,411,596	17,404	1,067,501
Interest and fees	142,000	139,431	2,569	162,028
Total	4,571,000	4,551,027	19,973	1,229,529
Contingency	207,607	-	207,607	-
Total expenditures	46,872,473	41,695,692	5,176,781	36,811,888
Revenues over (under) expenditures	(4,690,405)	2,858,517	7,548,922	4,603,376
Other Financing Sources (Uses):				
Long-term debt issued	3,396,000	3,396,000	-	-
Transfers in:				
Capital project funds	1,266,624	1,266,625	1	178,074
Enterprise funds	14	14	-	134,625
Transfers out:				
Special revenue funds	(6,000)	(6,000)	-	(4,500)
Capital project funds	(3,093,124)	(2,968,771)	124,353	(1,621,163)
Enterprise funds	(308,500)	(308,461)	39	(1,092,039)
Appropriated fund balance	3,435,391	-	(3,435,391)	-
Total	4,690,405	1,379,407	(3,310,998)	(2,405,003)
Net change in fund balance	\$ -	4,237,924	\$ 4,237,924	2,198,373
Fund Balance:				
Beginning of year - July 1		19,246,134		17,047,761
Restatement		14,799		-
Beginning of year - July 1, as restated		19,260,933		17,047,761
End of year - June 30		\$ 23,498,857		\$ 19,246,134

ALEXANDER COUNTY, NORTH CAROLINA**MAJOR SPECIAL REVENUE FUND****AMERICAN RESCUE PLAN ACT FUND****SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

		Actual		
	Budget	Prior Years	Current Year	Total to Date
Revenues:				
American Rescue Plan Act funds	\$ 3,641,677	\$ -	\$ -	\$ -
Investment earnings	-	-	51	51
Total revenues	<u>3,641,677</u>	<u>-</u>	<u>51</u>	<u>51</u>
Expenditures:				
Water infrastructure expenses	<u>3,641,677</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51</u>	<u>\$ 51</u>

ALEXANDER COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total
Assets:			
Cash and investments	\$ 468,372	\$ 3,888,442	\$ 4,356,814
Taxes receivable, net	71,498	-	71,498
Due from other governments	35,960	-	35,960
Cash and investments, restricted	644,809	-	644,809
Total assets	<u>\$ 1,220,639</u>	<u>\$ 3,888,442</u>	<u>\$ 5,109,081</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	<u>\$ 91,785</u>	<u>\$ 297,740</u>	<u>\$ 389,525</u>
Deferred Inflows of Resources:			
Taxes receivable	<u>71,498</u>	<u>-</u>	<u>71,498</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	35,960	-	35,960
Restricted for public safety	381,406	-	381,406
Restricted for education	-	2,531,627	2,531,627
Committed	639,990	1,059,075	1,699,065
Total fund balances	<u>1,057,356</u>	<u>3,590,702</u>	<u>4,648,058</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,220,639</u>	<u>\$ 3,888,442</u>	<u>\$ 5,109,081</u>

ALEXANDER COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total
Revenues:			
Ad valorem taxes	\$ 1,602,674	\$ -	\$ 1,602,674
Other taxes and licenses	217,613	-	217,613
Intergovernmental revenues	892,743	-	892,743
Investment earnings	507	643	1,150
Total revenues	<u>2,713,537</u>	<u>643</u>	<u>2,714,180</u>
Expenditures:			
Public safety	2,149,086	-	2,149,086
General government	383,932	-	383,932
Education	-	2,088,866	2,088,866
Cultural and recreation	-	290,524	290,524
Economic and physical development	222,986	-	222,986
Total expenditures	<u>2,756,004</u>	<u>2,379,390</u>	<u>5,135,394</u>
Revenues over (under) expenditures	<u>(42,467)</u>	<u>(2,378,747)</u>	<u>(2,421,214)</u>
Other Financing Sources (Uses):			
Transfers in	2,000	2,968,771	2,970,771
Transfers out	-	(1,266,625)	(1,266,625)
Total other financing sources (uses)	<u>2,000</u>	<u>1,702,146</u>	<u>1,704,146</u>
Net change in fund balances	(40,467)	(676,601)	(717,068)
Fund Balances:			
Beginning of year - July 1	<u>1,097,823</u>	<u>4,267,303</u>	<u>5,365,126</u>
End of year - June 30	<u>\$ 1,057,356</u>	<u>\$ 3,590,702</u>	<u>\$ 4,648,058</u>

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ALEXANDER COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	Special Revenue Funds				
	Fire Districts Fund	Revaluation Fund	Emergency Telephone System Fund	CDBG Project #16-E-2931 Borealis Compounds Building Reuse	Borealis Compounds Inc. One NC Grant Project
Assets:					
Cash and investments	\$ 118,615	\$ -	\$ 349,757	\$ -	\$ -
Taxes receivable, net	71,498	-	-	-	-
Due from other governments	17,826	-	18,134	-	-
Cash and investments, restricted	-	644,809	-	-	-
Total assets	<u>\$ 207,939</u>	<u>\$ 644,809</u>	<u>\$ 367,891</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ 4,819	\$ 86,966	\$ -	\$ -
Deferred Inflows of Resources:					
Taxes receivable	<u>71,498</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Restricted:					
Stabilization by state statute	17,826	-	18,134	-	-
Restricted for public safety	118,615	-	262,791	-	-
Committed	-	639,990	-	-	-
Total fund balances	<u>136,441</u>	<u>639,990</u>	<u>280,925</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 207,939</u>	<u>\$ 644,809</u>	<u>\$ 367,891</u>	<u>\$ -</u>	<u>\$ -</u>

ALEXANDER COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	Special Revenue Funds			
	Paragon Films Building Reuse 2020	Coronavirus Relief Fund	Piedmont Composites Building Reuse 2020	Total Nonmajor Special Revenue Funds
Assets:				
Cash and investments	\$ -	\$ -	\$ -	\$ 468,372
Taxes receivable, net	-	-	-	71,498
Due from other governments	-	-	-	35,960
Cash and investments, restricted	-	-	-	644,809
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,220,639</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,785</u>
Deferred Inflows of Resources:				
Taxes receivable	-	-	-	71,498
Fund Balances:				
Restricted:				
Stabilization by state statute	-	-	-	35,960
Restricted for public safety	-	-	-	381,406
Committed	-	-	-	639,990
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,057,356</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,220,639</u>

ALEXANDER COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds				
	Fire Districts Fund	Revaluation Fund	Emergency Telephone System Fund	CDBG Project #16-E-2931 Borealis Compounds Building Reuse	Borealis Compounds Inc. One NC Grant Project
Revenues:					
Ad valorem taxes	\$ 1,406,674	\$ 196,000	\$ -	\$ -	\$ -
Other taxes and licenses	-	-	217,613	-	-
Intergovernmental revenues	-	-	-	-	86,486
Investment earnings	-	83	26	-	-
Total revenues	<u>1,406,674</u>	<u>196,083</u>	<u>217,639</u>	<u>-</u>	<u>86,486</u>
Expenditures:					
Public safety	1,343,924	-	311,709	-	-
General government	-	200,598	-	-	-
Economic and physical development	-	-	-	-	86,486
Total expenditures	<u>1,343,924</u>	<u>200,598</u>	<u>311,709</u>	<u>-</u>	<u>86,486</u>
Revenues over (under) expenditures	62,750	(4,515)	(94,070)	-	-
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Net change in fund balances	62,750	(4,515)	(94,070)	-	-
Fund Balances:					
Beginning of year - July 1	<u>73,691</u>	<u>644,505</u>	<u>374,995</u>	<u>-</u>	<u>-</u>
End of year - June 30	<u>\$ 136,441</u>	<u>\$ 639,990</u>	<u>\$ 280,925</u>	<u>\$ -</u>	<u>\$ -</u>

ALEXANDER COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Paragon Films Building Reuse 2020	Coronavirus Relief Fund	Piedmont Composites Building Reuse 2020	Total Nonmajor Special Revenue Funds
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 1,602,674
Other taxes and licenses	-	-	-	217,613
Intergovernmental revenues	90,000	676,257	40,000	892,743
Investment earnings	-	398	-	507
Total revenues	<u>90,000</u>	<u>676,655</u>	<u>40,000</u>	<u>2,713,537</u>
Expenditures:				
Public safety	-	493,453	-	2,149,086
General government	-	183,334	-	383,932
Economic and physical development	94,500	-	42,000	222,986
Total expenditures	<u>94,500</u>	<u>676,787</u>	<u>42,000</u>	<u>2,756,004</u>
Revenues over (under) expenditures	(4,500)	(132)	(2,000)	(42,467)
Other Financing Sources (Uses):				
Transfers in	-	-	2,000	2,000
Net change in fund balances	(4,500)	(132)	-	(40,467)
Fund Balances:				
Beginning of year - July 1	<u>4,500</u>	<u>132</u>	<u>-</u>	<u>1,097,823</u>
End of year - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,057,356</u>

ALEXANDER COUNTY, NORTH CAROLINA

FIRE DISTRICTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes	\$ 1,334,635	\$ 1,406,674	\$ 72,039	\$ 1,344,640
Expenditures:				
Public safety:				
Bethlehem Fire District	336,158	336,158	-	338,194
Wittenburg Fire District	202,781	202,781	-	203,077
Hiddenite Fire District	181,866	181,866	-	170,002
East Alexander Fire District	134,262	134,262	-	133,551
Ellendale Fire District	140,391	140,391	-	139,945
Sugarloaf Fire District	118,471	118,471	-	120,088
Central Alexander Fire District	155,480	155,480	-	157,193
Vashti Fire District	74,515	74,515	-	75,987
Total expenditures	1,343,924	1,343,924	-	1,338,037
Revenues over (under) expenditures	(9,289)	62,750	72,039	6,603
Other Financing Sources (Uses):				
Appropriated fund balance	9,289	-	(9,289)	-
Net change in fund balance	\$ -	62,750	\$ 62,750	6,603
Fund Balance:				
Beginning of year - July 1		73,691		67,088
End of year - June 30		\$ 136,441		\$ 73,691

ALEXANDER COUNTY, NORTH CAROLINA

REVALUATION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes	\$ 196,000	\$ 196,000	\$ -	\$ 289,000
Investment earnings	-	83	83	2,242
Total revenues	196,000	196,083	83	291,242
Expenditures:				
General government	235,064	200,598	34,466	187,757
Revenues over (under) expenditures	(39,064)	(4,515)	34,549	103,485
Other Financing Sources (Uses):				
Appropriated fund balance	39,064	-	(39,064)	-
Net change in fund balance	\$ -	(4,515)	\$ (4,515)	103,485
Fund Balance:				
Beginning of year - July 1		644,505		541,020
End of year - June 30		\$ 639,990		\$ 644,505

ALEXANDER COUNTY, NORTH CAROLINA

EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Other taxes and licenses	\$ 217,612	\$ 217,613	\$ 1	\$ 205,595
Investment earnings	-	26	26	1,187
Total revenues	<u>217,612</u>	<u>217,639</u>	<u>27</u>	<u>206,782</u>
Expenditures:				
Implemental functions	7,500	-	7,500	6,280
Telephone	42,720	41,813	907	41,472
Furniture	88,130	86,805	1,325	7,508
Software and software maintenance	61,301	52,773	8,528	35,951
Hardware and hardware maintenance	314,748	128,003	186,745	129,026
Training	3,000	1,105	1,895	1,605
ECaTS expense - 911	1,600	1,210	390	1,185
Total expenditures	<u>518,999</u>	<u>311,709</u>	<u>207,290</u>	<u>223,027</u>
Revenues over (under) expenditures	(301,387)	(94,070)	207,317	(16,245)
Other Financing Sources (Uses):				
Appropriated fund balance	<u>301,387</u>	<u>-</u>	<u>(301,387)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(94,070)</u>	<u>\$ (94,070)</u>	<u>(16,245)</u>
Fund Balance:				
Beginning of year - July 1		<u>374,995</u>		<u>391,240</u>
End of year - June 30		<u>\$ 280,925</u>		<u>\$ 374,995</u>
PSAP Reconciliation:				
Amounts reported on the Emergency Telephone System Fund budget to actual are different from the PSAP revenue - expenditure report because:				
Ending fund balance, reported on budget to actual		\$ 280,925		
Cumulative prior period expenditures not eligible for reimbursement to be repaid (difference in beginning fund balance - budget to actual vs. revised PSAP report)		<u>6,281</u>		
Ending balance, PSAP revenue - expenditure report		<u>\$ 287,206</u>		

ALEXANDER COUNTY, NORTH CAROLINA

CDBG PROJECT NUMBER 16-E-2931 BOREALIS COMPOUNDS BUILDING REUSE
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual		
	Budget	Prior Years	Current Year	Total to Date
Revenues:				
Community Development Block Grant	\$ 740,000	\$ -	\$ -	\$ -
Expenditures:				
Assistance to business	740,000	-	-	-
Planning	5,000	5,000	-	5,000
Administration	25,000	25,000	-	25,000
Total expenditures	770,000	30,000	-	30,000
Revenues over (under) expenditures	(30,000)	(30,000)	-	(30,000)
Other Financing Sources (Uses):				
Transfers in:				
General Fund	30,000	30,000	-	30,000
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

ALEXANDER COUNTY, NORTH CAROLINA

BOREALIS COMPOUNDS INC. ONE NC GRANT PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual		
	Budget	Prior Years	Current Year	Total to Date
Revenues:				
NC Department of Commerce	\$ 86,486	\$ -	\$ 86,486	\$ 86,486
Expenditures:				
Assistance to business	86,486	-	86,486	86,486
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

ALEXANDER COUNTY, NORTH CAROLINA

PARAGON FILMS BUILDING REUSE 2020

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual		
	Budget	Prior Years	Current Year	Total to Date
Revenues:				
NC Department of Commerce	\$ 90,000	\$ -	\$ 90,000	\$ 90,000
Expenditures:				
Building renovation	94,500	-	94,500	94,500
Revenues over (under) expenditures	(4,500)	-	(4,500)	(4,500)
Other Financing Sources (Uses):				
Transfers in:				
General Fund	4,500	4,500	-	4,500
Net change in fund balance	\$ -	\$ 4,500	\$ (4,500)	\$ -

ALEXANDER COUNTY, NORTH CAROLINA

CORONAVIRUS RELIEF FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual		
	Budget	Prior Years	Current Year	Total to Date
Revenues:				
Coronavirus Relief Fund	\$ 1,587,829	\$ 911,572	\$ 676,257	\$ 1,587,829
Investment earnings	530	132	398	530
Total revenues	<u>1,588,359</u>	<u>911,704</u>	<u>676,655</u>	<u>1,588,359</u>
Expenditures:				
Payroll expenses	1,225,049	731,596	493,453	1,225,049
Public health expenses	12,978	10,868	2,110	12,978
COVID-19 public health compliance	3,332	3,332	-	3,332
Grants to municipalities	<u>347,000</u>	<u>165,776</u>	<u>181,224</u>	<u>347,000</u>
Total expenditures	<u>1,588,359</u>	<u>911,572</u>	<u>676,787</u>	<u>1,588,359</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 132</u>	<u>\$ (132)</u>	<u>\$ -</u>

ALEXANDER COUNTY, NORTH CAROLINA

PIEDMONT COMPOSITES BUILDING REUSE 2020

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual		
	Budget	Prior Years	Current Year	Total to Date
Revenues:				
NC Department of Commerce	\$ 40,000	\$ -	\$ 40,000	\$ 40,000
Expenditures:				
Building renovation	42,000	-	42,000	42,000
Revenues over (under) expenditures	(2,000)	-	(2,000)	(2,000)
Other Financing Sources (Uses):				
Transfers in:				
General Fund	2,000	-	2,000	2,000
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

ALEXANDER COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2021

	<u>Capital Project Funds</u>			
	<u>Industrial Shell Building Project Fund</u>	<u>Park Improvements Capital Project Fund</u>	<u>Capital Improvements Fund</u>	<u>Total Nonmajor Capital Project Funds</u>
Assets:				
Cash and investments	\$ -	\$ 1,238,799	\$ 2,649,643	\$ 3,888,442
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 179,724	\$ 118,016	\$ 297,740
Fund Balances:				
Restricted for education		-	2,531,627	2,531,627
Committed	-	1,059,075	-	1,059,075
Total fund balances	-	1,059,075	2,531,627	3,590,702
Total liabilities and fund balances	\$ -	\$ 1,238,799	\$ 2,649,643	\$ 3,888,442

ALEXANDER COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	Capital Project Funds			
	Industrial Shell Building Project Fund	Park Improvements Capital Project Fund	Capital Improvements Fund	Total Nonmajor Capital Project Funds
Revenues:				
Investment earnings	\$ -	\$ -	\$ 643	\$ 643
Expenditures:				
Education	-	-	2,088,866	2,088,866
Cultural and recreation	-	290,524	-	290,524
Total expenditures	-	290,524	2,088,866	2,379,390
Revenues over (under) expenditures	-	(290,524)	(2,088,223)	(2,378,747)
Other Financing Sources (Uses):				
Transfers in	-	1,201,299	1,767,472	2,968,771
Transfers out	(1,266,625)	-	-	(1,266,625)
Total other financing sources (uses)	(1,266,625)	1,201,299	1,767,472	1,702,146
Net change in fund balances	(1,266,625)	910,775	(320,751)	(676,601)
Fund Balances:				
Beginning of year - July 1	1,266,625	148,300	2,852,378	4,267,303
End of year - June 30	\$ -	\$ 1,059,075	\$ 2,531,627	\$ 3,590,702

ALEXANDER COUNTY, NORTH CAROLINA

INDUSTRIAL SHELL BUILDING PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual		
	Budget	Prior Years	Current Year	Total to Date
Expenditures:				
Professional/technical services	\$ 233,375	\$ 233,375	\$ -	\$ 233,375
Other Financing Sources (Uses):				
Transfers in:				
General Fund	1,500,000	1,500,000	-	1,500,000
Transfers out:				
General Fund	(1,266,625)	-	(1,266,625)	(1,266,625)
Total other financing sources (uses)	233,375	1,500,000	(1,266,625)	233,375
Net change in fund balance	\$ -	\$ 1,266,625	\$ (1,266,625)	\$ -

ALEXANDER COUNTY, NORTH CAROLINA

PARK IMPROVEMENTS CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual		
	Budget	Prior Years	Current Year	Total to Date
Revenues:				
Contributions	\$ 63,276	\$ -	\$ -	\$ -
Expenditures:				
Construction/renovation costs	1,192,325	-	168,165	168,165
Professional/technical services	247,250	26,700	122,359	149,059
Total expenditures	1,439,575	26,700	290,524	317,224
Revenues over (under) expenditures	(1,376,299)	(26,700)	(290,524)	(317,224)
Other Financing Sources (Uses):				
Transfers in:				
General Fund	1,376,299	175,000	1,201,299	1,376,299
Net change in fund balance	\$ -	\$ 148,300	\$ 910,775	\$ 1,059,075

ALEXANDER COUNTY, NORTH CAROLINA

CAPITAL IMPROVEMENTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ 525	\$ 643	\$ 118	\$ 52,176
Expenditures:				
Education	2,800,000	2,088,866	711,134	2,307,575
Revenues over (under) expenditures	(2,799,475)	(2,088,223)	711,252	(2,255,399)
Other Financing Sources (Uses):				
Transfers in	1,891,825	1,767,472	(124,353)	1,446,163
Appropriated fund balance	907,650	-	(907,650)	-
Total other financing sources (uses)	2,799,475	1,767,472	(1,032,003)	1,446,163
Net change in fund balance	\$ -	(320,751)	\$ (320,751)	(809,236)
Fund Balance:				
Beginning of year - July 1		2,852,378		3,661,614
End of year - June 30		\$ 2,531,627		\$ 2,852,378

ALEXANDER COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND

COUNTY WATER AND SEWER FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Water revenues	\$ 1,494,000	\$ 1,560,690	\$ 66,690	\$ 1,469,604
Non-operating revenues:				
Investment earnings	400	401	1	4,367
Total revenues	<u>1,494,400</u>	<u>1,561,091</u>	<u>66,691</u>	<u>1,473,971</u>
Expenditures:				
Water and distribution	1,241,500	933,386	308,114	843,904
Capital outlay	1,320,000	499,243	820,757	-
Contingency	76,942	-	76,942	-
Budgetary appropriations:				
Debt principal	640,000	636,221	3,779	364,395
Interest and fees paid	75,000	70,241	4,759	37,807
Total expenditures	<u>3,353,442</u>	<u>2,139,091</u>	<u>1,214,351</u>	<u>1,246,106</u>
Revenues over (under) expenditures	<u>(1,859,042)</u>	<u>(578,000)</u>	<u>1,281,042</u>	<u>227,865</u>
Other Financing Sources (Uses):				
Transfer from Bethlehem Water	123,750	123,269	(481)	123,269
Transfer from General Fund	308,500	308,461	(39)	-
Transfer to Water Capital Projects Fund	-	-	-	(358,594)
Transfer from Water Capital Projects Fund	138,942	138,942	-	-
Appropriated fund balance	<u>1,287,850</u>	<u>-</u>	<u>(1,287,850)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,859,042</u>	<u>570,672</u>	<u>(1,288,370)</u>	<u>(235,325)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (7,328)</u>	<u>\$ (7,328)</u>	<u>\$ (7,460)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (7,328)		
Reconciling items:				
Capital contributions - capital project grants		584,012		
Capital project transfer from Water Capital Projects Fund		(138,942)		
Transfer to General Fund (from project)		(14)		
Transfer from General Fund (to project)		4,000		
Capital outlay		499,243		
Debt principal		636,221		
Depreciation		(679,036)		
Change in accrued interest		<u>(6,703)</u>		
Change in net position		<u>\$ 891,453</u>		

ALEXANDER COUNTY, NORTH CAROLINA

COUNTY WATER AND SEWER CAPITAL PROJECT FUND
 STONY POINT ELEMENTARY SCHOOL WASTEWATER PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Stony Point Elementary School Wastewater Project:				
Revenues:				
Community Development Block Grant	\$ 741,864	\$ 157,851	\$ 584,012	\$ 741,863
Expenditures:				
Sewer	741,864	157,851	584,012	741,863
Administration	90,986	70,913	20,073	90,986
Total expenditures	832,850	228,764	604,085	832,849
Revenues over (under) expenditures	(90,986)	(70,913)	(20,073)	(90,986)
Other Financing Sources (Uses):				
Transfer from General Fund	91,000	91,000	-	91,000
Transfer to General Fund	(14)	-	(14)	(14)
Total other financing sources (uses)	90,986	91,000	(14)	90,986
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 20,087	\$ (20,087)	\$ -

ALEXANDER COUNTY, NORTH CAROLINA

COUNTY WATER AND SEWER CAPITAL PROJECT FUND
 WATER LINE EXTENSION PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

			Actual	
	Project Authorization	Prior Years	Current Year	Total to Date
Water Line Extension Project:				
Expenditures:				
Engineering design, ER/Environmental preparation	\$ 344,258	\$ 261,060	\$ 79,650	\$ 340,710
Funding administration/other	30,000	6,700	20,285	26,985
Loan fee	106,599	106,599	-	106,599
Water line construction and administration	5,155,137	2,733,152	1,511,471	4,244,623
Contingencies	119,613	-	-	-
Total expenditures	<u>5,755,607</u>	<u>3,107,511</u>	<u>1,611,406</u>	<u>4,718,917</u>
Revenues over (under) expenditures	<u>(5,755,607)</u>	<u>(3,107,511)</u>	<u>(1,611,406)</u>	<u>(4,718,917)</u>
Other Financing Sources (Uses):				
Long-term debt issued	5,436,528	-	4,640,812	4,640,812
Transfer to County W&S Fund	(138,942)	-	(138,942)	(138,942)
Transfer from County W&S Fund	458,021	458,021	-	458,021
Total other financing sources (uses)	<u>5,755,607</u>	<u>458,021</u>	<u>4,501,870</u>	<u>4,959,891</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (2,649,490)</u>	<u>\$ 2,890,464</u>	<u>\$ 240,974</u>

ALEXANDER COUNTY, NORTH CAROLINA

COUNTY WATER AND SEWER CAPITAL PROJECT FUND
INDUSTRIAL TIMBER PROJECT
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual		
	Budget	Prior Years	Current Year	Total to Date
Revenues:				
NC Department of Commerce	\$ 80,000	\$ -	\$ -	\$ -
Golden Leaf Foundation	193,776	-	-	-
Industrial Timber wastewater contribution	16,500	-	-	-
Total revenues	290,276	-	-	-
Expenditures:				
Wastewater line installation	210,276	-	4,000	4,000
Building renovation	80,000	-	-	-
Grant administration - building reuse	4,000	-	-	-
Total expenditures	294,276	-	4,000	4,000
Revenues over (under) expenditures	(4,000)	-	(4,000)	(4,000)
Other Financing Sources (Uses):				
Transfers in:				
General Fund	4,000	-	4,000	4,000
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ -	\$ -

ALEXANDER COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND

BETHLEHEM WATER DISTRICT

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Water sales	\$ 1,538,000	\$ 1,589,286	\$ 51,286	\$ 1,515,586
Non-operating revenues:				
Investment earnings	500	483	(17)	5,930
Total revenues	<u>1,538,500</u>	<u>1,589,769</u>	<u>51,269</u>	<u>1,521,516</u>
Expenditures:				
Administration				
Water and distribution	1,121,000	949,776	171,224	837,715
Budgetary appropriations:				
Capital outlay	<u>2,084,150</u>	<u>58,300</u>	<u>2,025,850</u>	<u>264,124</u>
Total expenditures	<u>3,205,150</u>	<u>1,008,076</u>	<u>2,197,074</u>	<u>1,101,839</u>
Revenues over (under) expenditures	<u>(1,666,650)</u>	<u>581,693</u>	<u>2,248,343</u>	<u>419,677</u>
Other Financing Sources (Uses):				
Transfer to County Water and Sewer Fund	(123,750)	(123,269)	481	(123,269)
Appropriated fund balance	<u>1,790,400</u>	<u>-</u>	<u>(1,790,400)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,666,650</u>	<u>(123,269)</u>	<u>(1,789,919)</u>	<u>(123,269)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 458,424</u>	<u>\$ 458,424</u>	<u>\$ 296,408</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 458,424		
Reconciling items:				
Capital outlay		58,300		
Depreciation		<u>(247,162)</u>		
Change in net position		<u>\$ 269,562</u>		

ALEXANDER COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND

SOLID WASTE FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Landfill	\$ 1,700,000	\$ 1,606,727	\$ (93,273)	\$ 1,488,986
Convenience center	255,500	297,712	42,212	204,409
Non-operating revenues:				
Intergovernmental revenues	100,500	114,277	13,777	106,011
Miscellaneous revenue	-	9,550	9,550	366
Total revenues	<u>2,056,000</u>	<u>2,028,266</u>	<u>(27,734)</u>	<u>1,799,772</u>
Expenditures:				
Convenience centers	208,398	200,054	8,344	193,118
Landfill operations	1,736,023	1,648,199	87,824	1,523,199
Capital outlay	-	-	-	19,337
Contingency	<u>51,579</u>	<u>-</u>	<u>(51,579)</u>	<u>-</u>
Total expenditures	<u>1,996,000</u>	<u>1,848,253</u>	<u>44,589</u>	<u>1,735,654</u>
Revenues over (under) expenditures	60,000	180,013	120,013	64,118
Other Financing Sources (Uses):				
Transfers to Landfill Closure Fund	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 120,013</u>	<u>\$ 120,013</u>	<u>\$ 64,118</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 120,013		
Reconciling items:				
Change in deferred outflows of resources - pension		12,482		
Change in net pension liability		(26,346)		
Change in deferred inflows of resources - pension		311		
Change in compensated absences		4,254		
Change in OPEB liability		(82,316)		
Change in deferred outflows of resources - OPEB		63,792		
Change in deferred inflows of resources - OPEB		17,360		
Depreciation		<u>(54,562)</u>		
Change in net position		<u>\$ 54,988</u>		

ALEXANDER COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND

LANDFILL CLOSURE FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Non-operating revenues:				
Investment earnings	\$ 10	\$ 13	\$ 3	\$ 520
Expenditures:				
Monitoring	58,000	41,878	16,122	43,861
Contingencies	2,010	-	2,010	-
Total expenditures	60,010	41,878	18,132	43,861
Revenues over (under) expenditures	(60,000)	(41,865)	18,135	(43,341)
Other Financing Sources (Uses):				
Transfer in - Solid Waste Fund	60,000	60,000	-	-
Transfer in - General Fund	-	-	-	175,000
Total other financing sources (uses)	60,000	60,000	-	175,000
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 18,135	\$ 18,135	\$ 131,659
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 18,135		
Reconciling items:				
(Increase)/decrease in accrued landfill closure and post-closure care costs		(182,610)		
Change in net position		\$ (164,475)		

ALEXANDER COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND

BETHLEHEM SEWER FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Sewer revenue	\$ 300,000	\$ 281,060	\$ (18,940)	\$ 233,680
Sewer capital reserve fee	-	-	-	2,415
Total revenue	<u>300,000</u>	<u>281,060</u>	<u>(18,940)</u>	<u>236,095</u>
Expenditures:				
Operations	<u>300,000</u>	<u>166,815</u>	<u>133,185</u>	<u>120,133</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 114,245</u>	<u>\$ 114,245</u>	<u>\$ 115,962</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 114,245		
Reconciling items:				
Depreciation		(35,570)		
Change in accrued interest		<u>(12,454)</u>		
Change in net position		<u>\$ 66,221</u>		

ALEXANDER COUNTY, NORTH CAROLINA

BETHLEHEM SEWER CAPITAL PROJECT FUND
SEWER COLLECTION LINE EXTENSION AND PUMP STATION UPGRADE PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual		
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Sewer Collection Line Ext and Pump Station Upgrade Project:				
Expenditures:				
Engineering design/report preparation	\$ 761,956	\$ 523,502	\$ 111,797	\$ 635,299
Easement acquisition	100,000	17,836	8,864	26,700
Funding administration/other	30,000	-	-	-
Loan fee	103,626	103,626	-	103,626
Sewer line construction and administration	5,149,558	775,119	3,548,149	4,323,268
Contingencies	56,825	-	-	-
Total expenditures	<u>6,201,965</u>	<u>1,420,083</u>	<u>3,668,810</u>	<u>5,088,893</u>
Revenues over (under) expenditures	<u>(6,201,965)</u>	<u>(1,420,083)</u>	<u>(3,668,810)</u>	<u>(5,088,893)</u>
Other Financing Sources (Uses):				
Long-term debt issued	5,181,300	-	3,502,337	3,502,337
Transfer from General Fund	<u>1,020,665</u>	<u>1,020,665</u>	<u>-</u>	<u>1,020,665</u>
Total other financing sources (uses)	<u>6,201,965</u>	<u>1,020,665</u>	<u>3,502,337</u>	<u>4,523,002</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (399,418)</u>	<u>\$ (166,473)</u>	<u>\$ (565,891)</u>

ALEXANDER COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 JUNE 30, 2021

	Municipal Tax Fund	Sheriff's Civil Executions Fund	Total Custodial Funds
Assets:			
Cash and cash equivalents	\$ 7,482	\$ -	\$ 7,482
Taxes receivable for other governments, net	23,994	-	23,994
Total assets	<u>31,476</u>	<u>-</u>	<u>31,476</u>
Liabilities:			
Due to other governments	<u>7,482</u>	<u>-</u>	<u>7,482</u>
Net Position:			
Restricted for:			
Individuals, organizations and other governments	23,994	-	23,994
Total net position	<u>\$ 23,994</u>	<u>\$ -</u>	<u>\$ 23,994</u>

ALEXANDER COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Municipal Tax Fund	Sheriff's Civil Executions Fund	Total Custodial Funds
Additions:			
Property taxes collected for other governments	\$ 762,937	\$ -	\$ 762,937
Collections on behalf of individuals/organizations	-	13,352	13,352
Total additions	<u>762,937</u>	<u>13,352</u>	<u>776,289</u>
Deductions:			
Property taxes distributed to other governments	756,955	-	756,955
Payments on behalf of individuals/organizations	-	13,352	13,352
Total deductions	<u>756,955</u>	<u>13,352</u>	<u>770,307</u>
Net increase (decrease) in fiduciary net position	<u>5,982</u>	<u>-</u>	<u>5,982</u>
Net position, beginning, as previously reported	-	-	-
Prior period restatement - change in accounting principle	<u>18,012</u>	<u>-</u>	<u>18,012</u>
Net position, beginning, as restated	<u>18,012</u>	<u>-</u>	<u>18,012</u>
Net position, ending	<u>\$ 23,994</u>	<u>\$ -</u>	<u>\$ 23,994</u>

ALEXANDER COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF AD VALOREM TAXES RECEIVABLE

JUNE 30, 2021

Fiscal Year	Uncollected Balance July 1, 2020	Additions	Collections and Credits	Uncollected Balance June 30, 2021
2021	\$ -	\$ 21,750,878	\$ 21,276,087	\$ 474,791
2020	597,884	-	335,702	262,182
2019	286,792	-	111,513	175,279
2018	196,765	-	74,841	121,924
2017	120,422	-	37,009	83,413
2016	75,273	-	15,302	59,971
2015	43,363	-	7,223	36,140
2014	38,624	-	4,308	34,316
2013	35,908	-	3,360	32,548
2012	26,716	-	2,062	24,654
2011	21,878	-	21,878	-
Total	<u>\$ 1,443,625</u>	<u>\$ 21,750,878</u>	<u>\$ 21,889,285</u>	<u>1,305,218</u>

Less: allowance for uncollectible ad valorem taxes receivable:

General Fund	<u>303,610</u>
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Ad valorem taxes receivable, net:

General Fund	<u>\$ 1,001,608</u>
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Reconciliation of Collections and Credits with Revenues:

Ad valorem taxes - General Fund	\$ 21,807,293
Ad valorem taxes - Revaluation Fund	196,000
Penalties collected on ad valorem taxes - Custodial Fund	<u>19,975</u>
Total ad valorem taxes	22,023,268

Reconciling items:

Interest and penalties collected	(169,987)
Tax refunds	13,492
Miscellaneous adjustments	634
Amounts written off for tax year 2011 per Statute of Limitations	<u>21,878</u>

Total collections and credits	<u>\$ 21,889,285</u>
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ALEXANDER COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2021

				Total Levy	
	County-Wide			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Amount of Levy		
Original Levy:					
County-wide:					
Property tax	\$ 2,753,679,938	\$ 0.790	\$ 21,754,072	\$ 18,942,549	\$ 2,811,523
Late list penalties	-		19,135	19,135	-
Total original levy	<u>2,753,679,938</u>		<u>21,773,207</u>	<u>18,961,684</u>	<u>2,811,523</u>
Discoveries	<u>3,420,075</u>		<u>27,019</u>	<u>27,019</u>	<u>-</u>
Abatements and Discounts	<u>(6,246,523)</u>		<u>(49,348)</u>	<u>(49,348)</u>	<u>-</u>
Total property valuation	<u>\$ 2,750,853,490</u>				
Net Levy			21,750,878	18,939,355	2,811,523
Uncollected taxes at June 30, 2021			<u>474,791</u>	<u>474,791</u>	<u>-</u>
Current Year's Taxes Collected			<u>\$ 21,276,087</u>	<u>\$ 18,464,564</u>	<u>\$ 2,811,523</u>
Current Levy Collection Percentage			97.82%	97.49%	100.00%

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