

**ALEXANDER COUNTY
NORTH CAROLINA**

ANNUAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

MARTIN ♦ STARNES

& ASSOCIATES, CPAs, P.A.

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

**ALEXANDER COUNTY
NORTH CAROLINA**

BOARD OF COMMISSIONERS

MARTY PENNELL, CHAIRMAN

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RONNIE REESE

LARRY YODER

SHANE FOX, COUNTY MANAGER

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 Audit of the Financial Statements

Opinions

We have audited the 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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Opioid Settlement Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Alexander County ABC Board, which represents 11.83%, 6.42%, and 50.47%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2023, and the respective changes in the financial position, and where applicable, cashflows thereof for the year then ended. 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Alexander County ABC Board and Alexander County Economic Development Corporation were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, 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 6, 2023, 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 6, 2023

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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, 2023. 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

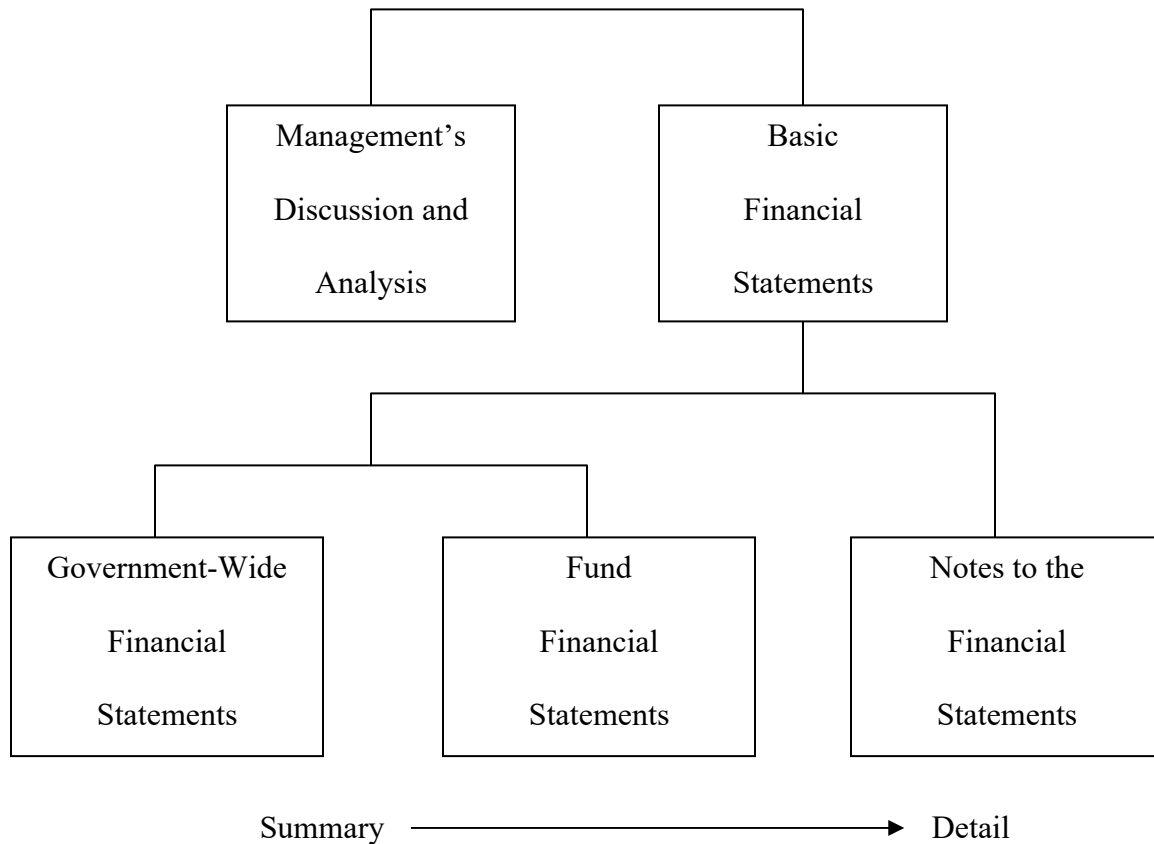
- The assets and deferred outflows of Alexander County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$46,326,755 (*net position*).
- The government's total net position increased by \$5,606,761, primarily due to maintaining the property tax rate, increases in investment income, increases in Federal and state grants, and continued growth in sales tax revenues.
- As of the close of the current fiscal year, Alexander County's governmental funds reported combined ending fund balances of \$33,825,097 after a net increase in fund balance of \$3,197,783. Approximately 27.63% of this total amount, or \$9,344,935 is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$17,446,997, or 34.53%, of total General Fund expenditures and transfers out for the fiscal year.
- Alexander County's total debt decreased by \$1,028,331 (6.90%) during the current fiscal year. The key factor in this decrease is the timely debt service payments. During the year, the County also implemented GASB 96, which added \$482,602 to the debt balance.

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 L) 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 for major governmental funds, 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 and benefit 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 three 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 L 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 \$46,326,755 as of June 30, 2023. The County's net position increased by \$5,606,761 for the fiscal year ended June 30, 2023. The increase was primarily due to maintaining the property tax rate and an increase in investment income and grant revenues. One of the largest portions, \$30,385,238 (65.62%), 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, \$9,387,740 (20.26%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$6,553,777 (14.15%) is unrestricted net position.

Alexander County's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 49,106,062	\$ 37,583,308	\$ 10,808,909	\$ 10,112,596	\$ 59,914,971	\$ 47,695,904
Capital assets	<u>20,259,334</u>	<u>19,828,076</u>	<u>24,000,782</u>	<u>24,744,190</u>	<u>44,260,116</u>	<u>44,572,266</u>
Total assets	<u>69,365,396</u>	<u>57,411,384</u>	<u>34,809,691</u>	<u>34,856,786</u>	<u>104,175,087</u>	<u>92,268,170</u>
Deferred Outflows of Resources	<u>9,789,929</u>	<u>8,840,563</u>	<u>172,810</u>	<u>162,464</u>	<u>9,962,739</u>	<u>9,003,027</u>
Liabilities:						
Long-term liabilities outstanding	36,163,114	39,571,857	15,452,036	15,625,395	51,615,150	55,197,252
Other liabilities	<u>9,577,539</u>	<u>1,763,172</u>	<u>208,943</u>	<u>183,665</u>	<u>9,786,482</u>	<u>1,946,837</u>
Total liabilities	<u>45,740,653</u>	<u>41,335,029</u>	<u>15,660,979</u>	<u>15,809,060</u>	<u>61,401,632</u>	<u>57,144,089</u>
Deferred Inflows of Resources	<u>6,189,593</u>	<u>5,740,525</u>	<u>219,846</u>	<u>193,264</u>	<u>6,409,439</u>	<u>5,933,789</u>
Net Position:						
Net investment in capital assets	17,683,994	17,037,979	12,701,244	12,631,078	30,385,238	29,669,057
Restricted	9,387,740	8,104,261	-	-	9,387,740	8,104,261
Unrestricted	<u>153,345</u>	<u>(5,965,847)</u>	<u>6,400,432</u>	<u>6,385,848</u>	<u>6,553,777</u>	<u>420,001</u>
Total net position	<u>\$ 27,225,079</u>	<u>\$ 19,176,393</u>	<u>\$ 19,101,676</u>	<u>\$ 19,016,926</u>	<u>\$ 46,326,755</u>	<u>\$ 38,193,319</u>

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

- Maintaining the property tax rate
- Increased grant revenues
- Increased sales tax revenues
- Increased investment income

Alexander County's Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 5,359,775	\$ 5,335,713	\$ 6,295,819	\$ 5,726,770	\$ 11,655,594	\$ 11,062,483
Operating grants and contributions	8,321,177	5,501,457	1,684	-	8,322,861	5,501,457
Capital grants and contributions	1,151,165	68,300	113,906	147,368	1,265,071	215,668
General revenues:						
Property taxes	24,275,501	23,782,653	-	-	24,275,501	23,782,653
Other taxes	14,899,739	13,775,608	-	-	14,899,739	13,775,608
Grants and contributions not restricted to specific programs	80,904	-	126,615	119,122	207,519	119,122
Other	1,207,373	85,563	175,234	10,127	1,382,607	95,690
Total revenues	<u>55,295,634</u>	<u>48,549,294</u>	<u>6,713,258</u>	<u>6,003,387</u>	<u>62,008,892</u>	<u>54,552,681</u>
Expenses:						
General government	8,353,131	7,840,976	-	-	8,353,131	7,840,976
Public safety	16,621,624	15,918,757	-	-	16,621,624	15,918,757
Environmental protection	1,120,609	640,121	-	-	1,120,609	640,121
Economic and physical development	1,165,276	668,063	-	-	1,165,276	668,063
Human services	11,736,494	10,331,550	-	-	11,736,494	10,331,550
Cultural and recreation	1,526,662	1,318,488	-	-	1,526,662	1,318,488
Education	9,194,085	8,940,802	-	-	9,194,085	8,940,802
Interest and fees	37,550	33,413	-	-	37,550	33,413
Water and sewer	-	-	3,721,605	3,021,101	3,721,605	3,021,101
Solid waste	-	-	2,925,095	2,075,219	2,925,095	2,075,219
Total expenses	<u>49,755,431</u>	<u>45,692,170</u>	<u>6,646,700</u>	<u>5,096,320</u>	<u>56,402,131</u>	<u>50,788,490</u>
Change in net position before transfers	5,540,203	2,857,124	66,558	907,067	5,606,761	3,764,191
Transfers	(18,192)	(851,020)	18,192	851,020	-	-
Change in net position	<u>5,522,011</u>	<u>2,006,104</u>	<u>84,750</u>	<u>1,758,087</u>	<u>5,606,761</u>	<u>3,764,191</u>
Net Position:						
Beginning of year - July 1	19,176,393	17,170,289	19,016,926	17,258,839	38,193,319	34,429,128
Restatement	<u>2,526,675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,526,675</u>	<u>-</u>
Beginning of year - July 1 Restated	<u>21,703,068</u>	<u>17,170,289</u>	<u>19,016,926</u>	<u>17,258,839</u>	<u>40,719,994</u>	<u>34,429,128</u>
End of year - June 30	<u>\$ 27,225,079</u>	<u>\$ 19,176,393</u>	<u>\$ 19,101,676</u>	<u>\$ 19,016,926</u>	<u>\$ 46,326,755</u>	<u>\$ 38,193,319</u>

Governmental Activities. Governmental activities increased the County's net position by \$5,522,011 thereby accounting for 98.49% 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 2022-2023
- Increase in grant revenues
- Increase in sales tax revenues
- Increase in investment income
- Recognizing settlement proceeds in the Opioid Settlement Fund

Business-Type Activities. Business-type activities increased Alexander County's net position by \$84,750, accounting for 1.51% 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 \$20,678,730, while total fund balance reached \$25,006,616. The County currently has an available fund balance of 40.93% of total General Fund expenditures and transfers out, while total fund balance represents 49.50% of that same amount.

At June 30, 2023, the American Rescue Plan Act Fund was a major special revenue fund. The County received its first allocation of the Federal American Rescue Plan funding in June 2021 and the second in August 2022. The County spent \$151,980 in the County Water and Sewer Capital Project Fund for the water line extension project to date, as well as \$92,584 in the special revenue fund leaving \$7,038,789 in advances from grantor. The Opioid Settlement Fund also became a major special revenue fund during the year due to booking long-term proceeds as a receivable. The proceeds to be received are expected to reduce the receivable over the next 16 years. Activity in this fund is restricted for public safety purposes. The Capital Improvements Fund was also a major governmental capital project fund at year end. The General Fund transferred money into this fund of \$3,151,423 during the year for future school capital expenditures. A portion of sales tax hold harmless funds are also maintained in this fund.

At June 30, 2023, the governmental funds of Alexander County reported a combined fund balance of \$33,825,097, a 10.44% increase over last year. The primary reason for this increase is the increase in fund balance in the General Fund, not considering transfers, and the continued increase in fund balance for the Capital Improvements Fund since school debt was retired in 2021. The American Rescue Plan Fund had only minor revenues and expenditures during the fiscal year after receiving the second tranche distribution of \$3,641,677 from the U.S. Treasury Department in August 2022.

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 \$3,104,000, which is 6.63% more than originally budgeted. The County appropriated fund balance for the following types of activity: A) transfer sales tax funds to school capital improvements fund after the retirement of all school debt, B) preliminary planning for a proposed new courthouse, and C) maintain services-use of appropriated fund balance to maintain service levels. The County also received additional federal and state funding during the year for 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. These items accounted for the primary difference between the originally adopted budget and the final budget.

The implementation of GASB Statement No. 96 for the current year also required a budget amendment to include a budget amount for subscriptions issued and other financing sources.

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 – \$3,224,167; Bethlehem Water Fund – \$4,991,893; Solid Waste Fund – (\$108,780) deficit; Landfill Closure Fund – (\$2,397,893) deficit; and Bethlehem Sewer Fund – \$691,045. The total increase in net position for these five major funds was \$84,750. 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, 2023 total \$44,260,116 (net of accumulated depreciation). These assets include buildings, land, equipment, vehicles, construction in progress, and right to use assets for leases and subscriptions.

Major capital asset transactions during the year include:

- Purchase of vehicles for public safety and human services functions
- Purchase of equipment for public safety and general government functions
- Addition of subscription assets due to GASB Statement No. 96 implementation
- Retirement of surplus vehicles from public safety and human services operations
- Retirement of surplus equipment from general government operations
- Completion of prior year construction in progress for water and sewer projects

Alexander County's Capital Assets
Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 3,925,709	\$ 3,904,709	\$ 240,573	\$ 240,573	\$ 4,166,282	\$ 4,145,282
Construction in progress	202,492	148,042	185,886	10,540,855	388,378	10,688,897
Buildings	23,085,059	22,957,350	651,404	651,404	23,736,463	23,608,754
Other improvements	1,567,127	1,567,127	263,584	263,584	1,830,711	1,830,711
Equipment and machinery	5,693,537	5,588,723	647,641	648,881	6,341,178	6,237,604
Vehicles	5,101,717	4,468,011	352,494	352,494	5,454,211	4,820,505
Infrastructure	-	-	38,693,492	27,890,312	38,693,492	27,890,312
Furniture and fixtures	104,022	104,022	-	-	104,022	104,022
Right-to-use lease assets	155,490	126,966	41,953	41,953	197,443	168,919
Subscription assets	775,618	-	-	-	775,618	-
	<u>40,610,771</u>	<u>38,864,950</u>	<u>41,077,027</u>	<u>40,630,056</u>	<u>81,687,798</u>	<u>79,495,006</u>
Less: accumulated depreciation and amortization	<u>(20,351,437)</u>	<u>(19,036,874)</u>	<u>(17,076,245)</u>	<u>(15,885,866)</u>	<u>(37,427,682)</u>	<u>(34,922,740)</u>
Total	<u>\$ 20,259,334</u>	<u>\$ 19,828,076</u>	<u>\$ 24,000,782</u>	<u>\$ 24,744,190</u>	<u>\$ 44,260,116</u>	<u>\$ 44,572,266</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, 2023, Alexander County had total debt outstanding of \$13,874,878, 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	
	2023	2022	2023	2022	2023	2022
Notes payable - direct placements and direct borrowings	\$ 1,996,000	\$ 2,689,000	\$ 11,277,188	\$ 12,081,028	\$ 13,273,188	\$ 14,770,028
Subscription liabilities	482,602	-	-	-	482,602	-
Lease liabilities	96,738	101,097	22,350	32,084	119,088	133,181
Total	<u>\$ 2,575,340</u>	<u>\$ 2,790,097</u>	<u>\$ 11,299,538</u>	<u>\$ 12,113,112</u>	<u>\$ 13,874,878</u>	<u>\$ 14,903,209</u>

Alexander County's total debt decreased by \$1,028,331 (6.90%) during the fiscal year due to timely debt service payments. The implementation of GASB 96 in FY 2023 also resulted in an increase in subscription liabilities for governmental activities of \$482,602.

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 \$216,083,106.

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 2023 Budgets and Rates

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

- During fiscal year 2023, the County's unemployment rate continued to decrease. In June 2022, the rate was 3.6%. On June 30, 2023, the rate was down to 3.2% which was below the state average unemployment rate of 3.6%. Alexander County's June 2023 unemployment rate placed it in a tie for the fifth lowest rate in the state.
- Demand for industrial buildings and sites remained strong statewide and locally. During fiscal year 2023, the Alexander County Economic Development Corporation (EDC) completed a 16-acre graded rail site in the Alexander Industrial Park. The project was funded with grants from the Golden Leaf Foundation (\$632,412) and the North Carolina Railroad Company (\$500,000). The EDC also invested significant funds to complete the project. Negotiations began in fiscal year 2023 regarding the construction of a speculative shell building on the site, but no agreements were reached by June 30. Industrial building availability continues to be a challenge.
- Alexander County EDC led an effort to identify a National Register Historic District in the county seat of Taylorsville and awarded a contract to a preservation consulting firm to prepare the nomination. Once approved by federal and state preservation offices, property owners of historic buildings will be eligible to apply for Historic Tax Credits offering an incentive of up to 40% tax credit on the rehabilitation costs of qualifying projects. Approval of the historic district designation is anticipated by February 2024.
- Paragon Films, a leading stretch film manufacturing company, broke ground on a 70,000 square foot building expansion in the Alexander Industrial Park. An additional rail spur extension will also be constructed. Grant funding for the project will include \$222,375 from the Community Development Block Grant program and \$143,539 from the North Carolina Department of Transportation. The total investment by the company is estimated at \$8 million and will result in 14 new jobs.
- Commercial growth in Alexander County witnessed a net gain of 14 new businesses creating 19 full time and 20 part time jobs with more than \$3.1 million in private investment. New owners acquired several parcels of vacant land with new construction proposed in Bethlehem, including Starbucks and a Mexican restaurant. Several properties in Taylorsville were acquired due to Opportunity Zone designation, including the former Smithey's department store, the former Campbell/Alexandria Hotel, and the former BB&T bank building. Future building improvements are anticipated.

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 2022-2023 budget with conservative revenue estimates.

Budget Highlights for the Fiscal Year Ending June 30, 2024

Governmental Activities. General Fund revenues, excluding transfers, are projected to increase \$2,626,000 (5.20%) from 2023 amounts. This is primarily due to an increase in the property tax valuation from the octennial revaluation process along with the adoption of a property tax rate that is 18.58 % higher than the revenue-neutral tax rate.

General Fund expenditures, excluding transfers and debt refunding, are projected to increase \$4,600,000 (10.06%) from 2023 amounts. The main factors for this include the public safety salary increases that became effective in February and March 2023 and will be in place for the full year of 2023-2024, the County's addition of school resource officers to elementary schools which began in December 2022 and will be in place for the full 2023-2024 school year, increases in retirement expense due to higher employer contribution rates, the addition of several new employee positions, and capital outlay items.

Capital projects beginning or continuing in fiscal year 2024 include economic development initiatives and improvements to County parks.

Business-Type Activities. Budgeted expenditures in the Solid Waste Fund are projected to increase \$302,000 (13.72%) from 2023 amounts. The main factors for this include a \$200,000 capital outlay budget for equipment that was not able to be purchased in the prior year and higher costs for waste disposal. The increases in retirement contributions for current employees will also affect the Solid Waste Fund.

Water and sewer rates will increase 10.00% to cover increased operating costs passed on from the County's water supplier. Capital projects beginning or continuing in fiscal year 2024 include a water line extension project, an elevated water tank project, and a project to extend sewer access to the new shell building site at the Alexander Industrial Park. These projects will utilize a combination of direct federal American Rescue Plan grant funding, state grants, and local funds.

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.

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ALEXANDER COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2023

	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	\$ 30,062,367	\$ 10,151,652	\$ 40,214,019	\$ 204,917	\$ 107,755
Taxes receivable, net	1,069,750	-	1,069,750	-	-
Accounts receivable, net	1,159,244	604,901	1,764,145	495	-
Inventories	-	-	-	-	170,613
Due from other governments	3,817,849	79,803	3,897,652	-	-
Internal balances	27,447	(27,447)	-	-	-
Prepaid items	12,933	-	12,933	-	-
Cash and investments, restricted	9,160,330	-	9,160,330	136,442	-
Non-current assets:					
Accounts receivable, net	3,758,155	-	3,758,155	-	-
Net pension asset	37,987	-	37,987	-	-
Capital assets:					
Land and other non-depreciable assets	4,128,201	426,459	4,554,660	2,082,250	37,141
Depreciable assets, net of depreciation and amortization	16,131,133	23,574,323	39,705,456	19,916	12,284
Capital assets, net	20,259,334	24,000,782	44,260,116	2,102,166	49,425
Total assets	69,365,396	34,809,691	104,175,087	2,444,020	327,793
Deferred Outflows of Resources:					
OPEB deferrals	2,450,258	41,841	2,492,099	-	-
Pension deferrals	7,339,671	130,969	7,470,640	-	-
Total deferred outflows of resources	9,789,929	172,810	9,962,739	-	-
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	647,031	208,943	855,974	144,172	41,307
Miscellaneous liabilities	1,026,888	-	1,026,888	-	90,138
Advances from grantor	7,901,593	-	7,901,593	-	-
Liabilities payable from restricted assets	2,027	-	2,027	-	-
Accrued interest	14,491	16,435	30,926	-	-
Current portion of compensated absences	1,036,000	6,300	1,042,300	-	-
Current portion of long-term debt	1,004,812	845,620	1,850,432	-	18,107
Total current liabilities	11,632,842	1,077,298	12,710,140	144,172	149,552
Non-current liabilities:					
Net pension liability - LGERS	10,316,307	170,544	10,486,851	-	-
Total pension liability - LEOSSA	1,119,120	-	1,119,120	-	-
Accrued landfill post-closure care costs	-	3,563,900	3,563,900	-	-
Non-current compensated absences	711,881	13,111	724,992	-	-
Total OPEB liability	20,389,975	382,208	20,772,183	-	-
Non-current portion of long-term debt	1,570,528	10,453,918	12,024,446	-	20,555
Total non-current liabilities	34,107,811	14,583,681	48,691,492	-	20,555
Total liabilities	45,740,653	15,660,979	61,401,632	144,172	170,107

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

ALEXANDER COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Alexander County Economic Development Corporation	Alexander County ABC Board
Deferred Inflows of Resources:					
OPEB deferrals	5,633,162	208,408	5,841,570	-	-
Pension deferrals	516,188	11,438	527,626	-	-
Prepaid taxes	40,243	-	40,243	-	-
Total deferred inflows of resources	6,189,593	219,846	6,409,439	-	-
Net Position:					
Net investment in capital assets	17,683,994	12,701,244	30,385,238	-	12,284
Restricted for:					
Stabilization by state statute	4,362,735	-	4,362,735	-	-
Register of Deeds	19,524	-	19,524	-	-
Register of Deeds' pension plan	55,869	-	55,869	-	-
Public safety	1,297,422	-	1,297,422	-	-
General government	93,816	-	93,816	-	-
Human services	50,539	-	50,539	-	-
Economic and physical development	33,835	-	33,835	-	-
Education	3,474,000	-	3,474,000	-	-
Working capital	-	-	-	-	40,757
With donor restrictions	-	-	-	136,442	-
Unrestricted	153,345	6,400,432	6,553,777	2,163,406	104,645
Total net position	\$ 27,225,079	\$ 19,101,676	\$ 46,326,755	\$ 2,299,848	\$ 157,686

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

ALEXANDER COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 8,353,131	\$ 783,124	\$ 31,641	\$ 257,818
Public safety	16,621,624	2,601,717	2,734,250	-
Environmental protection	1,120,609	29,608	43,040	393,347
Economic and physical development	1,165,276	82,080	54,385	500,000
Human services	11,736,494	1,630,377	5,360,616	-
Cultural and recreation	1,526,662	116,283	97,245	-
Education	9,194,085	116,586	-	-
Interest and fees	37,550	-	-	-
Total governmental activities	<u>49,755,431</u>	<u>5,359,775</u>	<u>8,321,177</u>	<u>1,151,165</u>
Business-Type Activities:				
Water and sewer	3,721,605	4,142,986	-	113,906
Solid waste	<u>2,925,095</u>	<u>2,152,833</u>	<u>1,684</u>	<u>-</u>
Total business-type activities	<u>6,646,700</u>	<u>6,295,819</u>	<u>1,684</u>	<u>113,906</u>
Total primary government	<u>\$ 56,402,131</u>	<u>\$ 11,655,594</u>	<u>\$ 8,322,861</u>	<u>\$ 1,265,071</u>
Component Units:				
Alexander County				
Economic Development Corporation	\$ 201,756	\$ -	\$ 200,000	\$ 1,139,412
ABC Board	<u>1,330,261</u>	<u>1,374,357</u>	<u>-</u>	<u>-</u>
Total component units	<u>\$ 1,532,017</u>	<u>\$ 1,374,357</u>	<u>\$ 200,000</u>	<u>\$ 1,139,412</u>

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

ALEXANDER COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Net (Expense) Revenue and Changes in Net Position				
	Primary Government			Component Units	
				Alexander County Economic Development Corporation	Alexander County ABC Board
	Governmental Activities	Business-Type Activities	Total		
Functions/Programs:					
Primary Government:					
Governmental Activities:					
General government	\$ (7,280,548)	\$ -	\$ (7,280,548)		
Public safety	(11,285,657)	-	(11,285,657)		
Environmental protection	(654,614)	-	(654,614)		
Economic and physical development	(528,811)	-	(528,811)		
Human services	(4,745,501)	-	(4,745,501)		
Cultural and recreation	(1,313,134)	-	(1,313,134)		
Education	(9,077,499)	-	(9,077,499)		
Interest and fees	(37,550)	-	(37,550)		
Total governmental activities	(34,923,314)	-	(34,923,314)		
Business-Type Activities:					
Water and sewer	-	535,287	535,287		
Solid waste	-	(770,578)	(770,578)		
Total business-type activities	-	(235,291)	(235,291)		
Total primary government	(34,923,314)	(235,291)	(35,158,605)		
Component Units:					
Alexander County Economic Development Corporation				\$ 1,137,656	\$ -
ABC Board				-	44,096
Total component units				1,137,656	44,096
General Revenues:					
Ad valorem taxes	24,275,501	-	24,275,501	-	-
Local option sales taxes	14,347,458	-	14,347,458	-	-
Other taxes and licenses	552,281	-	552,281	-	-
Unrestricted intergovernmental revenues	80,904	126,615	207,519	-	-
Miscellaneous	-	-	-	8,000	-
Investment earnings, unrestricted	1,207,373	175,234	1,382,607	1,078	-
Total general revenues, excluding transfers	40,463,517	301,849	40,765,366	9,078	-
Transfers	(18,192)	18,192	-	-	-
Total general revenues and transfers	40,445,325	320,041	40,765,366	9,078	-
Change in net position	5,522,011	84,750	5,606,761	1,146,734	44,096
Net Position:					
Beginning of year - July 1	19,176,393	19,016,926	38,193,319	1,092,785	113,590
Restatement	2,526,675	-	2,526,675	60,329	-
Beginning of year - July 1, restated	21,703,068	19,016,926	40,719,994	1,153,114	113,590
End of year - June 30	\$ 27,225,079	\$ 19,101,676	\$ 46,326,755	\$ 2,299,848	\$ 157,686

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

ALEXANDER COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	Major					
	General Fund	American Rescue Plan Act Fund	Opioid Settlement Fund	Capital Improvements Fund	Other Governmental Funds	Total
Assets:						
Cash and investments	\$ 21,832,453	\$ 25,479	\$ -	\$ 7,438,273	\$ 766,162	\$ 30,062,367
Taxes receivable, net	997,302	-	-	-	72,448	1,069,750
Accounts receivable, net	509,914	-	4,407,485	-	-	4,917,399
Due from other governments	3,685,409	-	-	-	132,440	3,817,849
Due from other funds	175,188	-	-	7,745	-	182,933
Prepaid items	12,933	-	-	-	-	12,933
Restricted assets:						
Cash and investments, restricted	515,798	7,038,789	438,818	-	1,166,925	9,160,330
Total assets	<u>\$ 27,728,997</u>	<u>\$ 7,064,268</u>	<u>\$ 4,846,303</u>	<u>\$ 7,446,018</u>	<u>\$ 2,137,975</u>	<u>\$ 49,223,561</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ 444,340	\$ -	\$ -	\$ 189,646	\$ 13,045	\$ 647,031
Due to other funds	7,745	1,400	-	-	146,341	155,486
Miscellaneous liabilities	1,026,888	-	-	-	-	1,026,888
Unearned revenue	-	-	-	-	-	-
Advances from grantor	150,305	7,038,789	-	-	712,499	7,901,593
Liabilities payable from restricted assets:						
Payables	-	-	-	-	2,027	2,027
Total liabilities	<u>1,629,278</u>	<u>7,040,189</u>	<u>-</u>	<u>189,646</u>	<u>873,912</u>	<u>9,733,025</u>
Deferred Inflows of Resources:						
Taxes receivable	997,302	-	-	-	72,448	1,069,750
Unavailable revenues	-	-	4,407,485	-	92,403	4,499,888
Health Department receivables	55,558	-	-	-	-	55,558
Prepaid taxes	40,243	-	-	-	-	40,243
Total deferred inflows of resources	<u>1,093,103</u>	<u>-</u>	<u>4,407,485</u>	<u>-</u>	<u>164,851</u>	<u>5,665,439</u>
Fund Balances:						
Non-spendable:						
Prepaid items	12,933	-	-	-	-	12,933
Restricted:						
Stabilization by state statute	4,314,953	-	-	7,745	40,037	4,362,735
Restricted, all other	410,907	-	438,818	3,474,000	645,411	4,969,136
Committed	-	24,079	-	3,774,627	462,114	4,260,820
Assigned	2,820,826	-	-	-	-	2,820,826
Unassigned	17,446,997	-	-	-	(48,350)	17,398,647
Total fund balances	<u>25,006,616</u>	<u>24,079</u>	<u>438,818</u>	<u>7,256,372</u>	<u>1,099,212</u>	<u>33,825,097</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 27,728,997</u>	<u>\$ 7,064,268</u>	<u>\$ 4,846,303</u>	<u>\$ 7,446,018</u>	<u>\$ 2,137,975</u>	<u>\$ 49,223,561</u>

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

ALEXANDER COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2023

	<u>Total</u>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:	
Total fund balances	\$ 33,825,097
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	20,259,334
Net pension asset (ROD)	37,987
Net pension liability (LGERS)	(10,316,307)
OPEB liability	(20,389,975)
Total pension liability (LEOSSA)	(1,119,120)
Deferred inflows of resources related to pensions are not reported in the funds.	
ROD	(2,834)
LGERS	(321,241)
LEOSSA	(192,113)
Deferred inflows of resources related to OPEB are not reported in the funds.	(5,633,162)
Deferred outflows of resources related to pensions are not reported in the funds.	
ROD	20,716
LGERS	7,081,417
LEOSSA	237,538
Deferred outflows of resources related to OPEB are not reported in the funds.	2,450,258
Long-term liabilities, accrued interest, and compensated are not due and payable in the current period and, therefore, not reported in the funds.	(4,337,712)
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.	<u>5,625,196</u>
Net position of governmental activities	<u>\$ 27,225,079</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, 2023

	Major				Other	
	General	American	Opioid	Capital	Governmental	Total
	Fund	Rescue Plan	Settlement	Improvements	Funds	
		Act Fund	Fund	Fund		
Revenues:						
Ad valorem taxes	\$ 22,823,687	\$ -	\$ -	\$ -	\$ 1,465,506	\$ 24,289,193
Local option sales taxes	14,347,458	-	-	-	-	14,347,458
Other taxes and licenses	297,917	-	-	-	254,364	552,281
Unrestricted intergovernmental revenues	80,904	-	-	-	-	80,904
Restricted intergovernmental revenues	5,917,120	176,264	425,822	-	979,923	7,499,129
Permits and fees	1,217,271	-	-	-	-	1,217,271
Sales and services	3,788,813	-	-	-	-	3,788,813
Interest earned on investments	935,625	22,922	12,996	218,823	17,007	1,207,373
Miscellaneous	311,271	-	-	-	-	311,271
Total revenues	<u>49,720,066</u>	<u>199,186</u>	<u>438,818</u>	<u>218,823</u>	<u>2,716,800</u>	<u>53,293,693</u>
Expenditures:						
General government	8,233,973	-	-	-	324,573	8,558,546
Public safety	15,191,858	-	-	-	1,566,929	16,758,787
Environmental protection	678,139	-	-	-	435,464	1,113,603
Economic and physical development	554,244	92,584	-	-	558,385	1,205,213
Human services	11,672,127	-	-	-	-	11,672,127
Cultural and recreation	1,477,976	-	-	-	37,501	1,515,477
Education	7,593,039	-	-	1,410,706	-	9,003,745
Debt service:						
Principal repayments	1,018,899	-	-	-	-	1,018,899
Interest	35,463	-	-	-	-	35,463
Total expenditures	<u>46,455,718</u>	<u>92,584</u>	<u>-</u>	<u>1,410,706</u>	<u>2,922,852</u>	<u>50,881,860</u>
Revenues over (under) expenditures	<u>3,264,348</u>	<u>106,602</u>	<u>438,818</u>	<u>(1,191,883)</u>	<u>(206,052)</u>	<u>2,411,833</u>
Other Financing Sources (Uses):						
Transfers in	903,847	-	-	3,151,423	144,236	4,199,506
Transfers (out)	(4,064,321)	(83,680)	-	-	(69,697)	(4,217,698)
Lease liabilities issued	28,524	-	-	-	-	28,524
Subscriptions issued	775,618	-	-	-	-	775,618
Total other financing sources (uses)	<u>(2,356,332)</u>	<u>(83,680)</u>	<u>-</u>	<u>3,151,423</u>	<u>74,539</u>	<u>785,950</u>
Net change in fund balances	908,016	22,922	438,818	1,959,540	(131,513)	3,197,783
Fund Balances:						
Beginning of year - July 1	<u>24,098,600</u>	<u>1,157</u>	<u>-</u>	<u>5,296,832</u>	<u>1,230,725</u>	<u>30,627,314</u>
End of year - June 30	<u>\$ 25,006,616</u>	<u>\$ 24,079</u>	<u>\$ 438,818</u>	<u>\$ 7,256,372</u>	<u>\$ 1,099,212</u>	<u>\$ 33,825,097</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, 2023**

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)	\$ 3,197,783
Property tax revenues in the Statement of Activities earned in prior periods are reported as revenues in the governmental funds statement.	(13,692)
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.	42,420
Grant revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.	1,973,213
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	(273,159)
Pension expense - LGERS	(822,297)
Pension expense - ROD	(3,564)
Pension expense - LEOSSA	(65,170)
Other post-employment benefits	842,549
Expenses related to accrued interest that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(2,087)
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 or right to use assets.	2,402,132
Depreciation and amortization expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(1,970,874)
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.	1,018,899
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>(804,142)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 5,522,011</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, 2023

	General Fund			
	Budgeted Amounts			Variance with Final Budget Over/Under
	Original	Final	Actual	
Revenues:				
Ad valorem taxes	\$ 22,137,133	\$ 22,153,133	\$ 22,823,687	\$ 670,554
Local option sales taxes	13,544,000	13,862,557	14,347,458	484,901
Other taxes and licenses	304,000	304,000	297,917	(6,083)
Unrestricted intergovernmental revenues	-	-	80,904	80,904
Restricted intergovernmental revenues	6,168,066	6,944,807	5,917,120	(1,027,687)
Permits and fees	984,110	1,254,634	1,217,271	(37,363)
Sales and services	3,469,213	3,611,046	3,788,813	177,767
Investment earnings	55,000	366,783	935,625	568,842
Miscellaneous	190,700	383,507	311,271	(72,236)
Total revenues	46,852,222	48,880,467	49,720,066	839,599
Expenditures:				
General government	9,002,656	10,112,533	8,233,973	1,878,560
Public safety	15,319,636	16,407,690	15,191,858	1,215,832
Environmental protection	802,852	819,388	678,139	141,249
Economic and physical development	533,988	583,988	554,244	29,744
Human services	13,787,255	14,707,984	11,672,127	3,035,857
Cultural and recreation	1,697,025	1,792,371	1,477,976	314,395
Education	7,604,953	7,639,453	7,593,039	46,414
Debt service:				
Principal retirement	695,000	1,020,616	1,018,899	1,717
Interest and fees	29,000	35,699	35,463	236
Contingency	350,000	261,563	-	261,563
Total expenditures	49,822,365	53,381,285	46,455,718	6,925,567
Revenues over (under) expenditures	(2,970,143)	(4,500,818)	3,264,348	7,765,166
Other Financing Sources (Uses):				
Lease liabilities issued	-	60,000	28,524	(31,476)
Subscriptions issued	-	1,016,000	775,618	(240,382)
Transfers in	739,825	903,849	903,847	(2)
Transfers out	(3,830,802)	(4,862,770)	(4,064,321)	798,449
Appropriated fund balance	6,061,120	7,383,739	-	(7,383,739)
Total other financing sources (uses)	2,970,143	4,500,818	(2,356,332)	(6,857,150)
Net change in fund balance	\$ -	\$ -	908,016	\$ 908,016
Fund Balance:				
Beginning of year - July 1			24,098,600	
End of year - June 30			\$ 25,006,616	

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

ALEXANDER COUNTY, NORTH CAROLINA

OPIOID SETTLEMENT FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Opioid Settlement Fund			
	Budgeted Amounts			Variance with Final Budget Over/Under
	Original	Final	Actual	
Revenues:				
Opioid settlement funds	\$ -	\$ -	\$ 425,822	\$ 425,822
Investment earnings	-	-	12,996	12,996
Total revenues	-	-	438,818	438,818
Net change in fund balance	\$ -	\$ -	438,818	\$ 438,818
Fund Balance:				
Beginning of year - July 1			-	
End of year - June 30			\$ 438,818	

ALEXANDER COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Enterprise Funds		
	County Water and Sewer Fund	Bethlehem Water District Fund	Solid Waste Fund
Assets:			
Current assets:			
Cash and investments	\$ 3,040,634	\$ 4,809,681	\$ 471,189
Accounts receivable, net	242,134	209,212	115,219
Due from other governments	33,906	-	45,897
Due from other funds	1,400	-	-
Total current assets	<u>3,318,074</u>	<u>5,018,893</u>	<u>632,305</u>
Non-current assets:			
Land and other non-depreciable assets	185,886	-	240,573
Depreciable assets, net	<u>14,751,011</u>	<u>2,785,883</u>	<u>517,787</u>
Total capital assets, net of accumulated depreciation and amortization	<u>14,936,897</u>	<u>2,785,883</u>	<u>758,360</u>
Total assets	<u>18,254,971</u>	<u>7,804,776</u>	<u>1,390,665</u>
Deferred Outflows of Resources:			
OPEB deferrals	-	-	41,841
Pension deferrals	-	-	130,969
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>172,810</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	54,936	27,000	121,547
Due to other funds	28,847	-	-
Accrued interest	10,124	-	339
Current portion of long-term debt	589,414	-	7,352
Current portion of compensated absences	-	-	6,300
Total current liabilities	<u>683,321</u>	<u>27,000</u>	<u>135,538</u>
Non-current liabilities:			
Net pension liability	-	-	170,544
Non-current accrued landfill post-closure care costs	-	-	-
Non-current compensated absences	-	-	13,111
Total OPEB liability	-	-	382,208
Non-current portion of long-term debt	<u>6,208,404</u>	<u>-</u>	<u>14,998</u>
Total non-current liabilities	<u>6,208,404</u>	<u>-</u>	<u>580,861</u>
Total liabilities	<u>6,891,725</u>	<u>27,000</u>	<u>716,399</u>
Deferred Inflows of Resources:			
OPEB deferrals	-	-	208,408
Pension deferrals	-	-	11,438
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>219,846</u>
Net Position:			
Net investment in capital assets	8,139,079	2,785,883	736,010
Unrestricted	<u>3,224,167</u>	<u>4,991,893</u>	<u>(108,780)</u>
Total net position	<u>\$ 11,363,246</u>	<u>\$ 7,777,776</u>	<u>\$ 627,230</u>

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

ALEXANDER COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Enterprise Funds		
	Landfill Closure Fund	Bethlehem Sewer Fund	Total
Assets:			
Current assets:			
Cash and investments	\$ 1,171,467	\$ 658,681	\$ 10,151,652
Accounts receivable, net	-	38,336	604,901
Due from other governments	-	-	79,803
Due from other funds	-	-	1,400
Total current assets	<u>1,171,467</u>	<u>697,017</u>	<u>10,837,756</u>
Non-current assets:			
Land and other non-depreciable assets	-	-	426,459
Depreciable assets, net	-	5,519,642	23,574,323
Total capital assets, net of accumulated depreciation and amortization	<u>-</u>	<u>5,519,642</u>	<u>24,000,782</u>
Total assets	<u>1,171,467</u>	<u>6,216,659</u>	<u>34,838,538</u>
Deferred Outflows of Resources:			
OPEB deferrals	-	-	41,841
Pension deferrals	-	-	130,969
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>172,810</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	5,460	-	208,943
Due to other funds	-	-	28,847
Accrued interest	-	5,972	16,435
Current portion of long-term debt	-	248,854	845,620
Current portion of compensated absences	-	-	6,300
Total current liabilities	<u>5,460</u>	<u>254,826</u>	<u>1,106,145</u>
Non-current liabilities:			
Net pension liability	-	-	170,544
Non-current accrued landfill post-closure care costs	3,563,900	-	3,563,900
Non-current compensated absences	-	-	13,111
Total OPEB liability	-	-	382,208
Non-current portion of long-term debt	-	4,230,516	10,453,918
Total non-current liabilities	<u>3,563,900</u>	<u>4,230,516</u>	<u>14,583,681</u>
Total liabilities	<u>3,569,360</u>	<u>4,485,342</u>	<u>15,689,826</u>
Deferred Inflows of Resources:			
OPEB deferrals	-	-	208,408
Pension deferrals	-	-	11,438
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>219,846</u>
Net Position:			
Net investment in capital assets	-	1,040,272	12,701,244
Unrestricted	(2,397,893)	691,045	6,400,432
Total net position	<u>\$ (2,397,893)</u>	<u>\$ 1,731,317</u>	<u>\$ 19,101,676</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, 2023**

	Enterprise Funds		
	County Water and Sewer Fund	Bethlehem Water District Fund	Solid Waste Fund
Operating Revenues:			
Water and sewer sales	\$ 2,048,962	\$ 1,774,224	\$ -
Convenience centers	-	-	277,026
Landfill	-	-	1,871,457
Total operating revenues	<u>2,048,962</u>	<u>1,774,224</u>	<u>2,148,483</u>
Operating Expenses:			
Convenience centers	-	-	223,406
Water and sewer operations	1,262,383	1,021,194	-
Landfill operations	-	-	1,927,735
Depreciation and amortization	733,465	248,911	60,701
Total operating expenses	<u>1,995,848</u>	<u>1,270,105</u>	<u>2,211,842</u>
Operating income (loss)	<u>53,114</u>	<u>504,119</u>	<u>(63,359)</u>
Non-Operating Revenues (Expenses):			
Investment earnings	79,032	95,049	-
Intergovernmental revenues	-	-	126,615
Grant revenue	-	-	1,684
Interest and fees paid	(66,194)	-	(559)
Miscellaneous revenues	-	-	4,350
Total non-operating revenues (expenses)	<u>12,838</u>	<u>95,049</u>	<u>132,090</u>
Income (loss) before contributions and transfers	65,952	599,168	68,731
Capital contributions	<u>113,906</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers	<u>179,858</u>	<u>599,168</u>	<u>68,731</u>
Transfers:			
Transfer from other funds	520,853	-	154,802
Transfer to other funds	-	(123,269)	(40,000)
Total transfers	<u>520,853</u>	<u>(123,269)</u>	<u>114,802</u>
Change in net position	700,711	475,899	183,533
Net Position:			
Beginning of year - July 1	<u>10,662,535</u>	<u>7,301,877</u>	<u>443,697</u>
End of year - June 30	<u>\$ 11,363,246</u>	<u>\$ 7,777,776</u>	<u>\$ 627,230</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, 2023**

	Enterprise Funds		
	Landfill Closure Fund	Bethlehem Sewer Fund	Total
Operating Revenues:			
Water and sewer sales	\$ -	\$ 319,800	\$ 4,142,986
Convenience centers	-	-	277,026
Landfill	-	-	1,871,457
Total operating revenues	-	319,800	6,291,469
Operating Expenses:			
Convenience centers	-	-	223,406
Water and sewer operations	-	196,030	2,479,607
Landfill operations	712,694	-	2,640,429
Depreciation and amortization	-	155,417	1,198,494
Total operating expenses	712,694	351,447	6,541,936
Operating income (loss)	(712,694)	(31,647)	(250,467)
Non-Operating Revenues (Expenses):			
Investment earnings	1,153	-	175,234
Intergovernmental revenues	-	-	126,615
Grant revenue	-	-	1,684
Interest and fees paid	-	(38,011)	(104,764)
Miscellaneous revenues	-	-	4,350
Total non-operating revenues (expenses)	1,153	(38,011)	203,119
Income (loss) before contributions and transfers	(711,541)	(69,658)	(47,348)
Capital contributions	-	-	113,906
Income (loss) before transfers	(711,541)	(69,658)	66,558
Transfers:			
Transfer from other funds	90,000	287,456	1,053,111
Transfer to other funds	-	(871,650)	(1,034,919)
Total transfers	90,000	(584,194)	18,192
Change in net position	(621,541)	(653,852)	84,750
Net Position:			
Beginning of year - July 1	(1,776,352)	2,385,169	19,016,926
End of year - June 30	<u>\$ (2,397,893)</u>	<u>\$ 1,731,317</u>	<u>\$ 19,101,676</u>

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, 2023

	Enterprise Funds		
	County Water and Sewer Fund	Bethlehem Water District Fund	Solid Waste Fund
Cash Flows from Operating Activities:			
Cash received from customers	\$ 2,004,010	\$ 1,765,625	\$ 2,283,810
Cash paid for goods and services	(1,200,347)	(994,694)	(1,700,927)
Cash paid to employees for services	-	-	(451,339)
Net cash provided (used) by operating activities	803,663	770,931	131,544
Cash Flows from Non-Capital Financing Activities:			
Other non-operating revenues (expenses)	(33,906)	-	86,752
Change in due to/from other funds	27,447	-	-
Interfund transfer in (out), net	437,173	(123,269)	114,802
Net cash provided (used) by non-capital financing activities	430,714	(123,269)	201,554
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(410,663)	-	(6,875)
Principal paid on bonds, notes payable, and leases	(636,221)	-	(9,734)
Issuance of long-term debt	-	-	-
Interest and fees paid on debt	(67,284)	-	(416)
Interfund transfer in (out), net	83,680	-	-
Capital contributions	113,906	-	-
Net cash provided (used) by capital and related financing activities	(916,582)	-	(17,025)
Cash Flows from Investing Activities:			
Interest on investments	79,032	95,049	-
Net increase (decrease) in cash and cash equivalents	396,827	742,711	316,073
Cash and Cash Equivalents:			
Beginning of year - July 1	2,643,807	4,066,970	155,116
End of year - June 30	\$ 3,040,634	\$ 4,809,681	\$ 471,189
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 53,114	\$ 504,119	\$ (63,359)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	733,465	248,911	60,701
(Increase) decrease in accounts receivable	(44,952)	(8,599)	135,327
(Increase) decrease deferred outflows - pension	-	-	(38,378)
Increase (decrease) in net pension liability	-	-	101,251
Increase (decrease) deferred inflows - pension	-	-	(55,340)
Increase (decrease) in accounts payable	62,036	26,500	(8,076)
Increase (decrease) in accrued salaries	-	-	(11,888)
(Increase) decrease deferred outflows - OPEB	-	-	28,032
Increase (decrease) deferred inflows - OPEB	-	-	81,922
Increase (decrease) in other post-employment benefits	-	-	(103,013)
Increase (decrease) in landfill post-closure liability	-	-	-
Increase (decrease) in accrued vacation pay	-	-	4,365
Net cash provided (used) by operating activities	\$ 803,663	\$ 770,931	\$ 131,544

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, 2023

	Enterprise Funds		
	Landfill Closure Fund	Bethlehem Sewer Fund	Total
Cash Flows from Operating Activities:			
Cash received from customers	\$ -	\$ 319,048	\$ 6,372,493
Cash paid for goods and services	(68,084)	(205,630)	(4,169,682)
Cash paid to employees for services	-	-	(451,339)
Net cash provided (used) by operating activities	(68,084)	113,418	1,751,472
Cash Flows from Non-Capital Financing Activities:			
Other non-operating revenues (expenses)	-	-	52,846
Change in due to/from other funds	-	-	27,447
Interfund transfer in (out)	90,000	(584,194)	(65,488)
Net cash provided (used) by non-capital financing activities	90,000	(584,194)	14,805
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets and right to use assets	-	(68,202)	(485,740)
Principal paid on bonds, notes payable, and leases	-	(248,854)	(894,809)
Issuance of long-term debt	-	81,235	81,235
Interest and fees paid on debt	-	(38,602)	(106,302)
Interfund transfer in (out), net	-	-	83,680
Capital contributions	-	-	113,906
Net cash provided (used) by capital and related financing activities	-	(274,423)	(1,208,030)
Cash Flows from Investing Activities:			
Interest on investments	1,153	-	175,234
Net increase (decrease) in cash and cash equivalents	23,069	(745,199)	733,481
Cash and Cash Equivalents:			
Beginning of year - July 1	1,148,398	1,403,880	9,418,171
End of year - June 30	<u>\$ 1,171,467</u>	<u>\$ 658,681</u>	<u>\$ 10,151,652</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (712,694)	\$ (31,647)	\$ (250,467)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	-	155,417	1,198,494
(Increase) decrease in accounts receivable	-	(752)	81,024
(Increase) decrease deferred outflows - pension	-	-	(38,378)
Increase (decrease) in net pension liability	-	-	101,251
Increase (decrease) deferred inflows - pension	-	-	(55,340)
Increase (decrease) in accounts payable	5,460	(9,600)	76,320
Increase (decrease) in accrued salaries	-	-	(11,888)
(Increase) decrease deferred outflows - OPEB	-	-	28,032
Increase (decrease) deferred inflows - OPEB	-	-	81,922
Increase (decrease) in other post-employment benefits	-	-	(103,013)
Increase (decrease) in landfill post-closure liability	639,150	-	639,150
Increase (decrease) in accrued vacation pay	-	-	4,365
Net cash provided (used) by operating activities	<u>(68,084)</u>	<u>113,418</u>	<u>1,751,472</u>

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

ALEXANDER COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2023

	Custodial Funds
Assets:	
Cash and cash equivalents	\$ 24,286
Taxes receivable for other governments, net	<u>27,292</u>
Total assets	<u>51,578</u>
Liabilities:	
Accounts payable	10,482
Due to other governments	<u>10,413</u>
Total liabilities	<u>20,895</u>
Net Position:	
Restricted for:	
Individuals, organizations, and other governments	<u>30,683</u>
Total fiduciary net position	<u><u>\$ 30,683</u></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, 2023

	Custodial Funds
Additions:	
Property taxes collected for other governments	\$ 760,299
Collections on behalf of individuals/organizations	51,009
Total additions	<u>811,308</u>
Deductions:	
Property taxes distributed to other governments	759,047
Payments on behalf of individuals/organizations	47,618
Total deductions	<u>806,665</u>
Net increase (decrease) in fiduciary net position	4,643
Net position, beginning	<u>26,040</u>
Net position, ending	<u>\$ 30,683</u>

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

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ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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, 2023

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

Government-Wide Statements. The Statement of Net Position and the Statement of Activities display information about the primary government (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 of which is 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, result from non-exchange transactions. Other non-operating items such as investment earnings are 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.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

American Rescue Plan Act Fund. The American Rescue Plan Act Fund is a Special Revenue Fund used to account for federal grant funds that are restricted for use for a particular purpose. This fund tracks the activities of that funding.

Opioid Settlement Fund. The Opioid Settlement Fund is a Special Revenue Fund used to account for settlement proceeds that are restricted for use for a particular purpose. This fund tracks the activities of that funding which will occur at least over 18 years.

Capital Improvements Fund. This capital project fund tracks the County's resources provided for school capital expenditures as well as receipt of school sales tax hold harmless funds.

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 several enterprise fund capital project funds: Water Line Extension Project, Industrial Timber Project, 2021 American Rescue Plan Water Line Extension Project, and Alexander Industrial Park Sewer Project funds are consolidated with the County Water and Sewer Fund for reporting purposes. The Sewer Collection Line Extension and Pump Station Upgrade Project fund is consolidated with the Bethlehem Sewer Fund for reporting purposes.

The County reports the following fiduciary fund types:

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, the Sheriff's Civil Executions Fund, which accounts for monies collected by the Sheriff's office for civil judgements, and the Jail Inmate Pay Fund, which accounts for monies held for prisoners at the County jail.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Nonmajor 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 nonmajor special revenue funds: Fire Districts Fund, Revaluation Fund, Emergency Telephone System Fund, Paul Robert Chair, Inc. Building Renovation Project, Soil and Water State Emergency Disaster Funds – Stream Debris Removal, Alexander County EDC Site Development Project, Soil and Water Emergency Watershed Protection Project, Soil & Water Streamflow Rehab Assistance (StRAP), 2022 State Appropriation Act Grant Fund, and Hancock & Moore Building Reuse Project funds.

Nonmajor 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 nonmajor capital project funds: Park Improvements Capital Project Fund and Housing Our Teachers Downtown Revitalization Project Fund.

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County'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/amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under leases and IT subscriptions 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. These property taxes are due when vehicles are registered. Motor vehicle property tax revenues are applicable to the fiscal year in which they are received. Uncollected taxes that were billed by the County for periods prior to September 1, 2013, or those 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 beer and wine 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 American Rescue Plan Act Fund, Paul Robert Chair, Inc. Building Renovation Project, Soil and Water State Emergency Disaster Funds – Stream Debris Removal, Alexander EDC Site Development Project, Soil and Water Emergency Watershed Protection Project, Soil & Water Streamflow Rehab Assistance Program (StRAP), 2022 State Appropriations Act – Directed

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Grants to Local Governments, and Hancock & Moore Building Reuse Project), 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.

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 Budget Officer is authorized by the budget ordinance to:

- Transfer amounts between line-item expenditures within a department without limitation and without a report being required. Transfers resulting in increases in recurring obligations such as salaries, are subject to approval by the County Manager.
- Transfer amounts up to \$15,000 between departments within the same fund, including contingency appropriations.

The Budget Officer may not transfer any amounts between funds except as approved by the Board of Commissioners in the Budget Ordinance as amended. 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.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

State law [G.S. 159-30] 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 NC Capital Management Trust Government Portfolio, an SEC-registered 2a-7 government money market fund, is valued 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.

Restricted Assets

Restricted assets in the General Fund consist of cash restricted for the purposes outlined below by external third parties or by law. For other governmental funds, money in the Revaluation Fund is classified as restricted because its use is restricted per North Carolina General Statute 153A-150. Monies in the American Rescue Plan Act, Opioid Settlement, and 2022 State Appropriations Act Grant funds are restricted due to unspent proceeds, funds to be used for a specific purpose only.

<u>Restricted Cash</u>	<u>Purpose</u>	<u>Amount</u>	<u>Total</u>
Governmental Activities:			
<i>General Fund:</i>			
Public safety	Sheriff/substance abuse	\$ 213,388	
Human services	Adoption services	24,649	
Economic and physical development	Cooperative extension services	33,835	
General government	PEG Channel	93,621	
General government	Unspent grant proceeds	150,305	
Total General Fund			\$ 515,798
<i>Other governmental funds:</i>			
Revaluation Fund	Tax revaluation	\$ 454,231	
American Rescue Plan Act Fund	Unspent grant proceeds	7,038,789	
2022 State Appropriation Act Grant Fund	Unspent grant proceeds	712,694	
Opioid Settlement Fund	Unspent opioid settlement proceeds	438,818	
Total other governmental funds			<u>8,644,532</u>
Total governmental activities			<u>\$9,160,330</u>

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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, 2022.

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.

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.

The County's capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the County reports a lease (only applies when the County is the lessee) or agreements where the County reports an Information Technology (IT) Subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, plus ancillary charges necessary to place the lease asset into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right to use subscription assets should be amortized on a straight-line basis over the subscription term.

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 assets 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 assets that applies to a future period and so will not be recognized as revenue until then. 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, unavailable revenues, and health department receivables additionally presented on the governmental balance sheet.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 a 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.

Opioid Settlement Funds

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

North Carolina's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 15% directly to the state ("State Abatement Fund")
- 80% to abatement funds established by Local Governments ("Local Abatement Funds")
- 5% to a County Incentive Fund

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The County received \$126,190 during FY 2022 and \$299,632 during FY 2023 as part of this settlement. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30, 2023. The MOA offered the County two options of expending the funds. The County opted for Option A, which allows the County to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic.

Reimbursements for Pandemic-Related Expenditures

In FY 2020/21 the American Rescue Plan (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The County was allocated \$7,283,353 of fiscal recovery funds to be paid in two equal installments. The first installment of \$3,641,677 was received in June 2021. The second installment was received in August 2022 for \$3,641,676. The County plans to use the ARPA funds for revenue replacement purposes. The Board of Commissioners adopted a resolution to use up to \$163,815 of the ARPA funds to support a project to deploy broadband services to approximately 305 households and businesses in Alexander County. The broadband project will be carried out by a retail provider of communications services with a grant from the Growing Rural Economies with Access to Technology Act (GREAT Act). During fiscal year 2023, the County's expenditures of \$92,584 in the ARPA special revenue fund were for the broadband project. The County plans to use the rest of the ARPA funds for a water capital project to extend water lines to unserved areas and provide networking of the existing water system for water quality and quantity purposes. Revenue replacement funds will be transferred to the appropriate funds when the expenditures for the intended use occur. During fiscal years 2022 and 2023, the County spent \$151,980 for the water capital project and has transferred that amount to the ARPA Water Capital Project Fund. The remaining funds of \$7,038,789 have not yet been appropriated.

Net Position/Fund Balances

Net Position

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

Fund Balances

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

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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, 2023

Restricted for Public Safety – portion of fund balance restricted by revenue source for public safety related activities such as Sheriff (\$93,261 federal shared assets and \$120,127 state unauthorized substance in the General Fund) and fire protection (\$182,161) and Emergency Telephone System Fund (\$463,055) in the Special Revenue Funds. \$438,818 is restricted in the Opioid Settlement Fund for public safety purposes.

Restricted fund balance at June 30, 2023, is as follows:

Purpose	General Fund	Opioid Settlement Fund	Capital Improvements Fund	Other Governmental Funds
Restricted, All Other:				
Register of Deeds	\$ 19,524	\$ -	\$ -	\$ -
General government	93,621	-	-	195
Education	-	-	3,474,000	-
Human services	50,539	-	-	-
Economic and physical development	33,835	-	-	-
Public safety	-	438,818	-	645,216
Public safety - Federal Shared Asset program	93,261	-	-	-
Public safety - state unauthorized substance	120,127	-	-	-
Total	<u>\$ 410,907</u>	<u>\$ 438,818</u>	<u>\$ 3,474,000</u>	<u>\$ 645,411</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 \$55,869.

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

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, 2023

Committed fund balance at June 30, 2023, is as follows:

Purpose	American Rescue Plan Act Fund	Capital Improvements Fund	Other Governmental Funds
General government	\$ 24,079	\$ -	\$ -
Tax revaluation	-	-	354,213
Future capital projects	-	3,774,627	107,901
Total	<u>\$ 24,079</u>	<u>\$ 3,774,627</u>	<u>\$ 462,114</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 authorizes the Budget Officer to modify appropriations up to \$15,000 between departments within the same fund.

Purpose	General Fund
Subsequent year's expenditures	<u>\$ 2,820,826</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.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

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	\$ 25,006,616
Less:	
Prepays	(12,933)
Stabilization by state statute	(4,314,953)
Fund balance available for appropriation	<u>\$ 20,678,730</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 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 report to the State

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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, 2023, the County's deposits had a carrying amount of \$8,837,174 and a bank balance of \$9,444,055. Of the bank balance, \$250,000 was covered by federal depository insurance and \$9,194,055 was covered by collateral held under the Pooling Method. Cash on hand was \$5,130 at June 30, 2023.

Investments

At June 30, 2023, the County had the following investments and maturities:

Investment Type	Valuation	Fair Value	Less Than 6 Months	6-12 Months	1 - 3 Years
	Measurement Method				
First Citizens Wealth Management:	Fair Value -				
US Treasuries	Level 1	\$ 4,806,006	\$ 1,052,408	\$ 1,057,261	\$ 2,696,337
N.C. Capital Management	Fair Value -				
Trust - Government Portfolio	Level 1	569,829	569,829	-	-
N.C. Capital Management	Fair Value -				
Trust - Government Portfolio	Level 1	35,180,496	35,180,496	-	-
Total investments		<u>\$ 40,556,331</u>	<u>\$ 36,802,733</u>	<u>\$ 1,057,261</u>	<u>\$ 2,696,337</u>

Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

All investments 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.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's internal investment policy limits at least half of the County's investment portfolio to maturities of less than 12 months. Also, the County's internal management policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than three years.

Credit Risk. The County has no formal policy regarding credit risk but limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. 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, 2023. The County's investments in US Treasuries are rated AA+ by Standard and Poor's and Aaa by Moody's Investor Services.

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-valuation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with 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
2020	\$ 2,193,284	\$ 570,254	\$ 2,763,538
2021	2,211,043	375,877	2,586,920
2022	2,216,125	177,290	2,393,415
2023	1,993,374	-	1,993,374
Total	<u>\$ 8,613,826</u>	<u>\$ 1,123,421</u>	<u>\$ 9,737,247</u>

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Receivables

Receivables at the government-wide level (Exhibit A) at June 30, 2023 were as follows:

	<u>Accounts Receivable</u>	<u>Taxes Receivable</u>	<u>Due from Other Governments</u>	<u>Total</u>
Governmental Activities:				
General	\$ 637,429	\$ 1,299,942	\$ 3,685,409	\$ 5,622,780
Opioid Settlement Fund	5,509,356	-	-	5,509,356
Other governmental	-	81,808	132,440	214,248
Total receivables	6,146,785	1,381,750	3,817,849	11,346,384
Allowance for doubtful accounts	(1,229,386)	(312,000)	-	(1,541,386)
Total governmental activities	<u>\$ 4,917,399</u>	<u>\$ 1,069,750</u>	<u>\$ 3,817,849</u>	<u>\$ 9,804,998</u>
Business-Type Activities:				
County Water and Sewer	\$ 242,134	\$ -	\$ 33,906	\$ 276,040
Bethlehem Water	209,212	-	-	209,212
Solid Waste	115,263	-	45,897	161,160
Bethlehem Sewer	38,336	-	-	38,336
Total receivables	604,945	-	79,803	684,748
Allowance for doubtful accounts	(44)	-	-	(44)
Total business-type activities	<u>\$ 604,901</u>	<u>\$ -</u>	<u>\$ 79,803</u>	<u>\$ 684,704</u>

Due from other governments consisted of the following:

Local option sales tax	\$ 2,129,130
DHHS revenues	345,188
Sales tax refund	250,067
Motor vehicle taxes	279,123
Medicaid hold harmless	98,800
Grants receivable	107,982
City of Hickory	472,891
Other	214,471
Total	<u>\$ 3,897,652</u>

At June 30, 2023, property taxes for other governments in the custodial fund is net of an allowance for doubtful account of \$25,296.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Capital Assets

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

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2023</u>
Governmental Activities:				
Non-Depreciable Assets:				
Land	\$ 3,904,709	\$ 21,000	\$ -	\$ 3,925,709
Construction in progress	<u>148,042</u>	<u>54,450</u>	<u>-</u>	<u>202,492</u>
Total non-depreciable assets	<u>4,052,751</u>	<u>75,450</u>	<u>-</u>	<u>4,128,201</u>
Depreciable Assets:				
Buildings	22,957,350	135,594	(7,885)	23,085,059
Other improvements	1,567,127	-	-	1,567,127
Equipment and machinery	5,588,723	458,579	(353,765)	5,693,537
Vehicles	4,468,011	928,367	(294,661)	5,101,717
Furniture and fixtures	104,022	-	-	104,022
Subscription assets	-	775,618	-	775,618
Right-to-use lease land	-	28,524	-	28,524
Right-to-use lease equipment	8,972	-	-	8,972
Right-to-use lease buildings	<u>117,994</u>	<u>-</u>	<u>-</u>	<u>117,994</u>
Total depreciable assets	<u>34,812,199</u>	<u>2,326,682</u>	<u>(656,311)</u>	<u>36,482,570</u>
Total assets	<u>38,864,950</u>	<u>2,402,132</u>	<u>(656,311)</u>	<u>40,610,771</u>
Less Accumulated Depreciation and Amortization:				
Buildings	(9,844,938)	(791,137)	7,885	(10,628,190)
Other improvements	(426,728)	(45,922)	-	(472,650)
Equipment and machinery	(5,086,723)	(334,019)	353,765	(5,066,977)
Vehicles	(3,605,832)	(494,719)	294,661	(3,805,890)
Furniture and fixtures	(46,205)	(30,566)	-	(76,771)
Subscription assets	-	(242,061)	-	(242,061)
Right-to-use lease land	-	(5,229)	-	(5,229)
Right-to-use lease equipment	(1,022)	(1,794)	-	(2,816)
Right-to-use lease buildings	<u>(25,426)</u>	<u>(25,427)</u>	<u>-</u>	<u>(50,853)</u>
Total accumulated depreciation and amortization	<u>(19,036,874)</u>	<u>\$ (1,970,874)</u>	<u>\$ 656,311</u>	<u>(20,351,437)</u>
Capital assets, net	<u>\$ 19,828,076</u>			<u>\$ 20,259,334</u>

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

Governmental Activities:

General government	\$ 678,711
Public safety	881,086
Environmental protection	7,406
Human services	133,980
Cultural and recreation	75,030
Economic and physical development	4,321
Education	190,340
Total	<u>\$ 1,970,874</u>

Proprietary Capital Assets

The capital assets of the proprietary funds at June 30, 2023 are as follows:

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2023</u>
Business-Type Activities:					
County Water and Sewer Fund:					
Non-Depreciable Assets:					
Construction in progress	<u>\$ 5,449,199</u>	<u>\$ 403,563</u>	<u>\$ -</u>	<u>\$ (5,666,876)</u>	<u>\$ 185,886</u>
Depreciable Assets:					
Infrastructure	19,435,872	-	-	5,666,876	25,102,748
Equipment and machinery	<u>8,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,500</u>
Total depreciable assets	<u>19,444,372</u>	<u>-</u>	<u>-</u>	<u>5,666,876</u>	<u>25,111,248</u>
Total assets	<u>24,893,571</u>	<u>403,563</u>	<u>-</u>	<u>-</u>	<u>25,297,134</u>
Less Accumulated Depreciation:					
Infrastructure	(9,618,272)	(733,465)	-	-	(10,351,737)
Equipment and machinery	<u>(8,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,500)</u>
Total accumulated depreciation	<u>(9,626,772)</u>	<u>\$ (733,465)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(10,360,237)</u>
County Water and Sewer capital assets, net	<u>15,266,799</u>				<u>14,936,897</u>
Bethlehem Water District Fund:					
Depreciable Assets:					
Infrastructure	<u>6,814,232</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>6,814,232</u>
Less Accumulated Depreciation:					
Infrastructure	<u>(3,779,438)</u>	<u>\$ (248,911)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(4,028,349)</u>
Bethlehem Water capital assets, net	<u>3,034,794</u>				<u>2,785,883</u>

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2023</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
Other improvements	263,584	-	-	-	263,584
Infrastructure	217,411	-	-	-	217,411
Vehicles	352,494	-	-	-	352,494
Equipment and machinery	640,381	6,875	(8,115)	-	639,141
Right-to-use lease land	<u>41,953</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,953</u>
Total depreciable assets	<u>2,167,227</u>	<u>6,875</u>	<u>(8,115)</u>	<u>-</u>	<u>2,165,987</u>
Total assets	<u>2,407,800</u>	<u>6,875</u>	<u>(8,115)</u>	<u>-</u>	<u>2,406,560</u>
Less Accumulated Depreciation and Amortization:					
Buildings	(404,286)	(16,368)	-	-	(420,654)
Other improvements	(2,197)	(13,179)	-	-	(15,376)
Infrastructure	(216,779)	(34)	-	-	(216,813)
Vehicles	(349,271)	(3,223)	-	-	(352,494)
Equipment and machinery	(614,371)	(19,188)	8,115	-	(625,444)
Right-to-use lease land	<u>(8,710)</u>	<u>(8,709)</u>	<u>-</u>	<u>-</u>	<u>(17,419)</u>
Total accumulated depreciation and amortization	<u>(1,595,614)</u>	<u>\$ (60,701)</u>	<u>\$ 8,115</u>	<u>\$ -</u>	<u>(1,648,200)</u>
Solid Waste capital assets, net	<u>812,186</u>				<u>758,360</u>
Bethlehem Sewer Fund:					
Non-Depreciable Assets:					
Construction in progress	<u>5,091,656</u>	<u>\$ 44,648</u>	<u>\$ -</u>	<u>\$ (5,136,304)</u>	<u>-</u>
Depreciable Assets:					
Infrastructure	<u>1,422,797</u>	<u>-</u>	<u>-</u>	<u>5,136,304</u>	<u>6,559,101</u>
Total assets	<u>6,514,453</u>	<u>44,648</u>	<u>-</u>	<u>-</u>	<u>6,559,101</u>
Less Accumulated Depreciation:					
Infrastructure	<u>(884,042)</u>	<u>\$ (155,417)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,039,459)</u>
Bethlehem Sewer capital assets, net	<u>5,630,411</u>				<u>5,519,642</u>
Total business-type activities capital assets, net	<u>\$ 24,744,190</u>				<u>\$ 24,000,782</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, 2023, were \$939,243 for the County Water and Sewer Fund, \$887,112 for the Bethlehem Water District, and \$159,900 for the Bethlehem Sewer Fund.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Construction Commitments

The County has active construction projects at June 30, 2023. The County's commitments with contractors are listed as follows for the following projects:

Project	Spent-to-Date	Remaining Commitment
Streamflow Rehabilitation Assistance Program	\$ -	\$ 303,000
American Rescue Plan Water Capital Project	151,980	426,320
Total	<u>\$ 151,980</u>	<u>\$ 729,320</u>

Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2023 is composed of the following elements:

	Governmental Activities	Business-Type Activities
Capital assets	\$ 20,259,334	\$ 24,000,782
Long-term debt	(2,575,340)	(11,299,538)
Net investment in capital assets	<u>\$ 17,683,994</u>	<u>\$ 12,701,244</u>

B. Liabilities

Payables

Payables at the government-wide level (Exhibit A) at June 30, 2023 were as follows:

	Vendors	Salaries and Benefits	Total
Governmental Activities:			
General	\$ 444,340	\$ 1,026,888	\$ 1,471,228
Capital Improvements Fund	189,646	-	189,646
Other governmental	13,045	-	13,045
Total governmental activities	<u>\$ 647,031</u>	<u>\$ 1,026,888</u>	<u>\$ 1,673,919</u>
Business-Type Activities:			
County Water and Sewer	\$ 54,936	\$ -	\$ 54,936
Bethlehem Water	27,000	-	27,000
Solid Waste	114,518	7,029	121,547
Landfill closure	5,460	-	5,460
Total business-type activities	<u>\$ 201,914</u>	<u>\$ 7,029</u>	<u>\$ 208,943</u>

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 (ACFR) for the state of North Carolina. The state's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

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

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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, 2023, was 13.04% of compensation for law enforcement officers and 12.15% 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 \$2,116,789 for the year ended June 30, 2023.

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.

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

At June 30, 2023, the County reported a liability of \$10,486,851 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022, 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, 2023, the County's proportion was 0.18589% (measured as of June 30, 2022), which was a decrease of 0.01111% from its proportion as of June 30, 2022 (measured as of June 30, 2021).

For the year ended June 30, 2023, the County recognized pension expense of \$2,946,618. At June 30, 2023, 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	\$ 451,869	\$ 44,302
Changes of assumptions	1,046,354	-
Net difference between projected and actual earnings on pension plan investments	3,466,013	-
Changes in proportion and differences between County contributions and proportionate share of contributions	131,361	288,377
County contributions subsequent to the measurement date	2,116,789	-
Total	<u>\$ 7,212,386</u>	<u>\$ 332,679</u>

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

\$2,116,789 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, 2024. 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
2024	\$ 1,523,974
2025	1,269,494
2026	318,174
2027	1,651,276
2028	-
Thereafter	-
Total	<u>\$ 4,762,918</u>

Actuarial Assumptions. The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increase	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.5 percent, net of pension plan investment expense, including inflation

The plan actuary 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. public plan population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions and methods used in the December 31, 2021 actuarial valuation were based on the results of an actuarial experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021.

Future and ad hoc cost of living adjustment amounts are not considered to be substantively automatic and are therefore not included in the measurement.

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

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	33.0%	0.9%
Global equity	38.0%	6.5%
Real estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Opportunistic fixed income	7.0%	5.0%
Inflation sensitive	6.0%	2.7%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, and is part of the asset, liability and investment policy of the North Carolina Retirement Systems. 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 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 6.50%. This discount rate is in line with the long-term nominal expected return on pension plan investments. The calculation of the net pension liability is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually required rates, actuarially determined. Based on those 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 benefits payments to determine the total pension liability.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 6.50 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 (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability (asset)	<u>\$ 18,927,415</u>	<u>\$ 10,486,851</u>	<u>\$ 3,531,336</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 0.85 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, 2021, the Separation Allowance's membership consisted of:

Retirees receiving benefits	7
Active plan members	<u>38</u>
Total	<u>45</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, 2023

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 normal actuarial cost method was used in the December 31, 2021 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	4.31 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, 2021, valuation were based on the results of an experience study completed by the Actuary for the Local Governmental 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 Scale 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 Mortality 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.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$74,495 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, 2023, the County reported a total pension liability of \$1,119,120. The total pension liability was measured as of December 31, 2022, based on a December 31, 2021, actuarial valuation. The total pension liability was rolled forward to the measurement date of December 31, 2022, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the County recognized pension expense of \$134,295.

At June 30, 2023, 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	\$ 47,577	\$ -
Changes of assumptions	160,503	192,113
County benefit payments and plan administrative expense made subsequent to the measurement date	29,458	-
Total	<u>\$ 237,538</u>	<u>\$ 192,113</u>

The County paid \$29,458 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, 2024. 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
2024	\$ 28,565
2025	27,987
2026	8,466
2027	(32,966)
2028	(16,085)
Thereafter	-
Total	<u>\$ 15,967</u>

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 4.31 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 (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current rate:

	1% Decrease (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
Total pension liability	<u>\$ 1,213,113</u>	<u>\$ 1,119,120</u>	<u>\$ 1,034,384</u>

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

	2023
Beginning balance	\$ 1,275,155
Service cost	74,272
Interest on the total pension liability	27,853
Difference between expected and actual experience in the measurement of the total pension liability	21,055
Changes of assumptions or other inputs	(204,720)
Benefit payments	(74,495)
Ending balance of the total pension liability	<u>\$ 1,119,120</u>

Changes of Assumptions. Changes of assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 2.25% at December 31, 2021, to 4.31% at December 31, 2022 (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.

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 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 (ACFR) for the state of North Carolina. The state's ACFR 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.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 \$103,428 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 Governmental 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 (ACFR) for the state of North Carolina. The state's ACFR 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 \$2,623 for the year ended June 30, 2023.

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

At June 30, 2023, the County reported an asset of \$37,987 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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, 2023, the County's proportion was 0.28691% (measured as of June 30, 2022), which was an increase of 0.01347% from its proportion as of June 30, 2022 (measured as of June 30, 2021).

For the year ended June 30, 2023, the County recognized pension expense of \$6,184. At June 30, 2023, 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	\$ 293	\$ 689
Changes in assumptions	2,011	-
Net difference between projected and actual earnings on pension plan investments	15,789	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	2,145
County contributions subsequent to the measurement date	2,623	-
Total	<u>\$ 20,716</u>	<u>\$ 2,834</u>

\$2,623 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, 2024. 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
2024	\$ 3,457
2025	2,575
2026	5,256
2027	3,971
2028	-
Thereafter	-
Total	<u>\$ 15,259</u>

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increase	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	3.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, 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. public plan population. The mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2021 valuation was based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

Future and ad hoc cost of living adjustment 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 returns projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 99.9% 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, 2022 is 1.1%.

The information above is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, and is part of the asset, liability and investment policy of the North Carolina Retirement Systems. 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 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 3.00%. This discount rate is in line with the long-term nominal expected return on pension plan investments. The calculation of the net pension asset is a present value calculation of the

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually required rates, actuarially determined. Based on those 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 benefits 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 3.00 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 (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current rate:

	1% Decrease (2.00%)	Current Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	<u>\$ (43,785)</u>	<u>\$ (37,987)</u>	<u>\$ (64,652)</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.

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, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021. The total pension liability for LEOSSA was measured as of December 31, 2022, with an actuarial valuation date of December 31, 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:

	LGERS	ROD	LEOSSA	Total
Proportionate share of net pension liability (asset)	\$ 10,486,851	\$ (37,987)	n/a	\$ 10,448,864
Proportion of the net pension liability (asset)	0.18589%	0.28691%	n/a	-
Total pension liability	\$ -	\$ -	\$ 1,119,120	\$ 1,119,120
Pension expense	\$ 2,946,618	\$ 6,184	\$ 134,295	\$ 3,087,097

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

At June 30, 2023, 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	\$ 451,869	\$ 293	\$ 47,577	\$ 499,739
Pensions - difference between projected and actual investment earnings	3,466,013	15,789	-	3,481,802
Changes of assumptions	1,046,354	2,011	160,503	1,208,868
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	131,361	-	-	131,361
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>2,116,789</u>	<u>2,623</u>	<u>29,458</u>	<u>2,148,870</u>
Total	<u>\$ 7,212,386</u>	<u>\$ 20,716</u>	<u>\$ 237,538</u>	<u>\$ 7,470,640</u>

<u>Deferred Inflows of Resources:</u>				
Pensions - difference between expected and actual experience	\$ 44,302	\$ 689	\$ -	\$ 44,991
Changes of assumptions	-	-	192,113	192,113
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	<u>288,377</u>	<u>2,145</u>	<u>-</u>	<u>290,522</u>
Total	<u>\$ 332,679</u>	<u>\$ 2,834</u>	<u>\$ 192,113</u>	<u>\$ 527,626</u>

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.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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.

Contributions. 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 minimal 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.

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.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Membership of the Plan consisted of the following at June 30, 2022, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries	
currently receiving benefit payments	62
Inactive plan members entitled to but not yet	
receiving benefit payments	-
Active plan members	<u>75</u>
Total	<u><u>137</u></u>

Total OPEB Liability

The County's total OPEB liability of \$20,772,183 was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2022, 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	0.75 percent
Wage inflation	3.25 percent
Salary increases, including wage inflation	
General employees	3.25 to 8.41 percent
Firefighters	3.25 to 8.15 percent
Law enforcement officers	3.25 to 7.90 percent
Municipal bond index rate	
Prior measurement date	2.16 percent
Measurement date	3.54 percent
Health Care Cost Trends	
Pre-Medicare medical and prescription drug	7.00 percent for 2022 decreasing to an ultimate rate of 4.50% by 2032
Medicare medical and prescription drug	5.125 percent for 2022 decreasing to an ultimate rate of 4.50% by 2025

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022	\$ 27,569,399
Changes for the year:	
Service cost	616,852
Interest	604,045
Differences between expected and actual experience	(2,897,759)
Changes of assumptions or other inputs	(4,675,537)
Benefit payments	(444,817)
Net changes	(6,797,216)
Balance at June 30, 2023	\$ 20,772,183

Changes in assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 2.16% to 3.54%.

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 Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, 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, 2022, valuation were based on a review of recent plan experience performed concurrently with the June 30, 2022, valuation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	\$ 24,300,482	\$ 20,772,183	\$ 17,971,327

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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>\$ 17,820,141</u>	<u>\$ 20,772,183</u>	<u>\$ 24,499,295</u>

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

For the year ended June 30, 2023, the County recognized OPEB expense of \$485,223. At June 30, 2023, 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	\$ 6,762	\$ 2,234,761
Changes of assumptions	2,009,496	3,606,809
Benefit payments and plan administrative expense made subsequent to the measurement date	<u>475,841</u>	<u>-</u>
Total	<u>\$ 2,492,099</u>	<u>\$ 5,841,570</u>

\$475,841 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, 2024. 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
2024	\$ (1,179,514)
2025	(1,614,380)
2026	(1,031,418)
2027	-
2028	-
Thereafter	-
Total	<u>\$ (3,825,312)</u>

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 (Death Benefit Plan), a multiple-employer, state-administered, cost-sharing plan funded on a one-year cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump-sum 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 but 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 \$3,563,900 reported as landfill closure and post-closure care liability at June 30, 2023, represents a cumulative amount reported to date based on the use of 59% 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 \$2,476,602 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 2023. 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, 2023

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 \$90,000 was made to the Landfill Closure Fund during the fiscal year ended June 30, 2023. The Landfill Closure Fund has \$1,171,467 in cash at June 30, 2023.

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)	\$ 506,501	\$ 2,279,752
Changes of assumptions (pensions, OPEB)	3,218,364	3,798,922
Net difference between projected and actual earnings on pension plan investments (pensions)	3,481,802	-
Changes in proportion and differences between County contributions and proportionate share of contributions (pensions)	131,361	290,522
Benefit payments for the OPEB plan paid subsequent to the measurement date	475,841	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	29,458	-
County contributions subsequent to the measurement date (LGERS & ROD)	2,119,412	-
Taxes receivable, net (General Fund and Special Revenue Fund)	-	1,069,750
Unavailable revenues (Governmental Activities)	-	4,499,888
Health department receivables, net (General Fund)	-	55,558
Prepaid taxes (General Fund)	-	40,243
Total	<u>\$ 9,962,739</u>	<u>\$ 12,034,635</u>

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 \$53 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 Delta Dental, 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. Effective with the bond renewal on July 1, 2023, the County increased the bonding for the Finance Director to \$1,000,000 in order to comply with S.L. 2022-53, Section 9(a).

Contingent Liabilities

At June 30, 2023, 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, 2023

Long-Term Obligations

Leases

The County has entered into agreements to lease certain buildings, equipment, and land. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

Governmental Funds:

On 5/1/2020, Alexander County entered into a 36-month lease as lessee for the use of office space for probation, parole, and pre-trial release services of the court. An initial lease liability was recorded in the amount of \$94,472. The County is required to make monthly fixed payments of \$1,675. The lease has an interest rate of 1.1770%. At June 30, 2023, the lease liability was \$55,976. The value of the right-to-use asset at year end is \$94,472 with accumulated amortization of \$39,092. Alexander County has 1 extension option available for 36 months.

On 12/6/2021, Alexander County entered into a 60-month lease as lessee for the use of a postage machine for the Elections Department. An initial lease liability was recorded in the amount of \$8,972. The County is required to make quarterly fixed payments of \$468. The lease has an interest rate of 1.7850%. At June 30, 2023, the lease liability was \$6,335. The value of the right-to-use asset at year end is \$8,972 with accumulated amortization of \$2,816.

On 7/1/2019, Alexander County entered into a 36-month lease as lessee for the use of a building for an EMS base-Sugar Loaf location. An initial lease liability was recorded in the amount of \$23,522. The County is required to make monthly fixed payments of \$500. The lease has an interest rate of 1.0110%. At June 30, 2023, the lease liability was \$11,875. The value of the right-to-use asset at year end is \$23,522 with accumulated amortization of \$11,761. Alexander County has 1 extension option for 36 months. The County had a termination period of 3 months as of the lease commencement.

On 8/1/2022, Alexander County entered into a 60-month lease as lessee for the use of land at the Taylorsville Lions Club Fairgrounds for emergency services training. An initial lease liability was recorded in the amount of \$28,524. The County is required to make annual fixed payments of \$6,000. The lease has an interest rate of 2.5360%. At June 30, 2023, the value of the lease liability is \$22,552. The value of the right-to-use asset at year end is \$28,524 with accumulated amortization of \$5,229.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

Governmental Funds:

Year Ending				
June 30	Principal	Interest	Total	
2024	\$ 32,659	\$ 1,312	\$ 33,971	
2025	33,120	851	33,971	
2026	24,209	412	24,621	
2027	6,750	150	6,900	
Total governmental funds	<u>\$ 96,738</u>	<u>\$ 2,725</u>	<u>\$ 99,463</u>	

Proprietary Funds:

Solid Waste Fund:

On 1/1/2017, Alexander County entered into a 60-month lease as lessee for the use of land for the solid waste convenience center-Highway 16 South site. An initial lease liability was recorded in the amount of \$8,221. The County is required to make annual fixed payments of \$1,700. The lease has an interest rate of 1.3350%. At June 30, 2023, the lease liability was \$4,967. The value of the right-to-use asset at year end is \$8,221 with accumulated amortization of \$2,989. Alexander County has 1 extension option for 60 months. The County had a termination period of 2 months as of the lease commencement.

On 1/1/2017, Alexander County entered into a 60-month lease as lessee for the use of land for the solid waste convenience center-Stony Point site. An initial lease liability was recorded in the amount of \$8,221. The County is required to make annual fixed payments of \$1,700. The lease has an interest rate of 1.3350%. At June 30, 2023, the lease liability was \$4,967. The value of the right-to-use asset at year end is \$8,221 with accumulated amortization of \$2,989. Alexander County has 1 extension option for 60 months. The County had a termination period of 2 months as of the lease commencement.

On 7/1/2017, Alexander County entered into a 60-month lease as lessee for the use of land for the solid waste convenience center-Vashti site. An initial lease liability was recorded in the amount of \$4,957. The County is required to make annual fixed payments of \$2,500. The lease has an interest rate of 0.8450%. At June 30, 2023, the lease liability was \$0. The value of the right-to-use asset at year end is \$4,957 with accumulated amortization of \$3,966. Alexander County has 1 extension option for 24 months. The County had a termination period of 2 months as of the lease commencement.

On 1/1/2019, Alexander County entered into a 60-month lease as lessee for the use of land for the solid waste convenience center-Bethlehem site. An initial lease liability was recorded in the amount of \$8,463. The County is required to make annual fixed payments of \$1,750. The lease has an interest rate of 1.3350%. At June 30, 2023, the lease liability was \$5,113. The value of the right-to-use asset at year end is \$8,463 with accumulated amortization of \$3,078. Alexander County has 1 extension option for 36 months. The County had a termination period of 2 months as of the lease commencement.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

On 1/1/2019, Alexander County entered into a 60-month lease as lessee for the use of land for the solid waste convenience center-Sugar Loaf site. An initial lease liability was recorded in the amount of \$12,090. The County is required to make annual fixed payments of \$2,500. The lease has an interest rate of 1.3350%. At June 30, 2023, the lease liability was \$7,303. The value of the right-to-use asset at year end is \$12,090 with accumulated amortization of \$4,396. Alexander County has 1 extension option for 36 months. The County had a termination period of 2 months as of the lease commencement.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

Business-Type Activities:

Proprietary Funds:

Year Ending June 30	Principal	Interest	Total
2024	\$ 7,352	\$ 298	\$ 7,650
2025	7,450	200	7,650
2026	7,548	101	7,649
Total proprietary funds	<u>\$ 22,350</u>	<u>\$ 599</u>	<u>\$ 22,949</u>

Subscriptions

For the year ended June 30, 2023, the County implemented the requirements of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (Subscriptions). The Statement provides a definition of Subscriptions and provides uniform guidance for accounting and financial reporting for such transactions. The guidance will decrease diversity in the accounting and financial reporting for these transactions, thereby, increasing comparability in financial reporting among governments. Further, the reporting of a subscription asset (a right-to-use intangible capital asset) and a subscription liability will enhance the relevance and reliability of the financial statements.

Governmental Funds:

On 11/1/2021, Alexander County entered into a 36-month subscription for the use of IT-Cisco Secure Email Cloud Advantage. An initial subscription liability was recorded in the amount of \$54,015. As of 06/30/2023, the value of the subscription liability is \$26,910. The County is required to make annual fixed payments of \$27,500. The subscription has an interest rate of 2.1940%. The value of the right-to-use asset as of 06/30/2023 is \$54,015 with accumulated amortization of \$23,150.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

On 02/27/2023, Alexander County entered into a 60-month subscription for the use of IT-Cisco Duo. An initial subscription liability was recorded in the amount of \$42,939. As of 06/30/2023, the value of the subscription liability is \$33,867. The County is required to make annual fixed payments of \$9,072. The subscription has an interest rate of 2.8200%. The value of the right-to-use asset as of 06/30/2023 is \$42,939 with accumulated amortization of \$2,958.

On 06/09/2023, Alexander County entered into a 60-month subscription for the use of Elections-Zoom. An initial subscription liability was recorded in the amount of \$715. As of 06/30/2023, the value of the subscription liability is \$565. The County is required to make annual fixed payments of \$150. The subscription has an interest rate of 2.4500%. The value of the right-to-use asset as of 06/30/2023 is \$715 with accumulated amortization of \$9.

On 8/5/2020, Alexander County entered into a 60-month subscription for the use of EMS-ESO Electronic Health Record. An initial subscription liability was recorded in the amount of \$61,621. As of 06/30/2023, the value of the subscription liability is \$43,263. The County is required to make monthly fixed payments of \$1,775. The subscription has an interest rate of 2.3540%. The value of the right-to-use asset as of 06/30/2023 is \$61,621 with accumulated amortization of \$19,913.

On 10/13/2022, Alexander County entered into a 62-month subscription for the use of Finance-Crystal Reports (SAP Software). An initial subscription liability was recorded in the amount of \$2,733. As of 06/30/2023, the value of the subscription liability is \$2,238. The County is required to make annual fixed payments of \$495. The subscription has an interest rate of 3.4450%. The value of the right-to-use asset as of 06/30/2023 is \$2,733 with accumulated amortization of \$379.

On 5/1/2022, Alexander County entered into a 36-month subscription for the use of Finance-Debt and Lease Management (DebtBook). An initial subscription liability was recorded in the amount of \$20,342. As of 06/30/2023, the value of the subscription liability is \$10,503. The County is required to make annual fixed payments of \$10,238. The subscription has an interest rate of 2.3540%. The value of the right-to-use asset as of 06/30/2023 is \$20,342 with accumulated amortization of \$7,180.

On 2/1/2022, Alexander County entered into a 60-month subscription for the use of Finance-QuickBooks Plus. An initial subscription liability was recorded in the amount of \$3,604. As of 06/30/2023, the value of the subscription liability is \$2,708. The County is required to make annual fixed payments of \$949. The subscription has an interest rate of 2.5360%. The value of the right-to-use asset as of 06/30/2023 is \$3,604 with accumulated amortization of \$786.

On 7/1/2021, Alexander County entered into a 60-month subscription for the use of Health-EMR & PM Plus (CureMD). An initial subscription liability was recorded in the amount of \$77,820. As of 06/30/2023, the value of the subscription liability is \$58,952. The County is required to make monthly fixed payments of \$1,700. The subscription has an interest rate of 2.4450%. The value of the right-to-use asset as of 06/30/2023 is \$77,820 with accumulated amortization of \$19,564.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

On 6/28/2022, Alexander County entered into a 60-month subscription for the use of Health-Message On-Hold Program. An initial subscription liability was recorded in the amount of \$8,542. As of 06/30/2023, the value of the subscription liability is \$6,747. The County is required to make annual fixed payments of \$1,795. The subscription has an interest rate of 2.5360%. The value of the right-to-use asset as of 06/30/2023 is \$8,542 with accumulated amortization of \$1,711.

On 3/1/2023, Alexander County entered into a 60-month subscription for the use of IT-Parallels Remote Application Server. An initial subscription liability was recorded in the amount of \$13,476. As of 06/30/2023, the value of the subscription liability is \$10,629. The County is required to make annual fixed payments of \$2,847. The subscription has an interest rate of 2.8220%. The value of the right-to-use asset as of 06/30/2023 is \$13,476 with accumulated amortization of \$898.

On 11/30/2022, Alexander County entered into a 36-month subscription for the use of IT-Freshservice - Pro. An initial subscription liability was recorded in the amount of \$20,728. As of 06/30/2023, the value of the subscription liability is \$13,588. The County is required to make annual fixed payments of \$7,140. The subscription has an interest rate of 3.3780%. The value of the right-to-use asset as of 06/30/2023 is \$20,728 with accumulated amortization of \$4,161.

On 3/12/2023, Alexander County entered into a 60-month subscription for the use of IT-NCREN Connectivity Services. An initial subscription liability was recorded in the amount of \$87,168. As of 06/30/2023, the value of the subscription liability is \$68,761. The County is required to make annual fixed payments of \$18,420. The subscription has an interest rate of 2.8220%. The value of the right-to-use asset as of 06/30/2023 is \$87,168 with accumulated amortization of \$5,273.

On 11/1/2021, Alexander County entered into a 36-month subscription for the use of IT-Microsoft EA-Languages ESD Software. An initial subscription liability was recorded in the amount of \$294,014. As of 06/30/2023, the value of the subscription liability is \$146,475. The County is required to make annual fixed payments of \$149,689. The subscription has an interest rate of 2.1940%. The value of the right-to-use asset as of 06/30/2023 is \$294,014 with accumulated amortization of \$126,006.

On 08/10/2022, Alexander County entered into a 36-month subscription for the use of IT-Wasabi Service. An initial subscription liability was recorded in the amount of \$14,396. As of 06/30/2023, the value of the subscription liability is \$9,485. The County is required to make annual fixed payments of \$4,911. The subscription has an interest rate of 2.3540%. The value of the right-to-use asset as of 06/30/2023 is \$14,396 with accumulated amortization of \$4,279.

On 10/13/2022, Alexander County entered into a 60-month subscription for the use of IT-SRFax. An initial subscription liability was recorded in the amount of \$4,440. As of 06/30/2023, the value of the subscription liability is \$3,814. The County is required to make monthly fixed payments of \$81. The subscription has an interest rate of 3.4450%. The value of the right-to-use asset as of 06/30/2023 is \$4,440 with accumulated amortization of \$636.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

On 8/1/2022, Alexander County entered into a 24-month subscription for the use of Library-OverDrive Content Service. An initial subscription liability was recorded in the amount of \$11,871. As of 06/30/2023, the value of the subscription liability is \$5,871. The County is required to make annual fixed payments of \$6,000. The subscription has an interest rate of 2.1940%. The value of the right-to-use asset as of 06/30/2023 is \$11,871 with accumulated amortization of \$5,441.

On 4/29/2020, Alexander County entered into a 60-month subscription for the use of Pre-Trial Release-Cisco Webex Starter. An initial subscription liability was recorded in the amount of \$955. As of 06/30/2023, the value of the subscription liability is \$615. The County is required to make monthly fixed payments of \$30. The subscription has an interest rate of 2.3540%. The value of the right-to-use asset as of 06/30/2023 is \$955 with accumulated amortization of \$338.

On 10/1/2022, Alexander County entered into a 21-month subscription for the use of County Parks-RecDesk Director. An initial subscription liability was recorded in the amount of \$7,307. As of 06/30/2023, the value of the subscription liability is \$4,682. The County is required to make annual fixed payments of \$2,625. The subscription has an interest rate of 3.3470%. The value of the right-to-use asset as of 06/30/2023 is \$7,307 with accumulated amortization of \$3,131.

On 07/01/2022, Alexander County entered into a 36-month subscription for the use of ROD-Cott (Hosted Deployment). An initial subscription liability was recorded in the amount of \$47,493. As of 06/30/2023, the value of the subscription liability is \$31,970. The County is required to make monthly fixed payments of \$1,365. The subscription has an interest rate of 2.3540%. The value of the right-to-use asset as of 06/30/2023 is \$47,493 with accumulated amortization of \$15,831.

On 12/13/2020, Alexander County entered into a 60-month subscription for the use of Veterans-Entellitrak Veterans Benefits. An initial subscription liability was recorded in the amount of \$1,439. As of 06/30/2023, the value of the subscription liability is \$959. The County is required to make annual fixed payments of \$496. The subscription has an interest rate of 2.3540%. The value of the right-to-use asset as of 06/30/2023 is \$1,439 with accumulated amortization of \$417.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2023, were as follows:

Governmental Funds:

Year Ending June 30	Principal	Interest	Total
2024	\$ 293,153	\$ 11,266	\$ 304,419
2025	101,192	4,399	105,591
2026	54,732	2,137	56,869
2027	32,806	939	33,745
2028	719	17	736
Total governmental funds	<u>\$ 482,602</u>	<u>\$ 18,758</u>	<u>\$ 501,360</u>

Direct Placement Notes Payable

Notes payable at June 30, 2023 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. \$ 1,996,000

The County's outstanding note from direct placement related to the law enforcement and detention center and courthouse of \$1,996,000 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:

- Declare the unpaid principal components of the installment payments immediately due and payable;
- 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
- 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, 2023

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

Governmental Activities: Governmental Funds:

Year Ending June 30	Principal	Interest	Total
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>\$ 1,996,000</u>	<u>\$ 38,132</u>	<u>\$ 2,034,132</u>

Proprietary Funds (notes payable from direct borrowing):

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. \$ 1,000,179

\$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 \$164,359, with 0% interest payable through May 2035, unsecured. 1,972,306

\$4,640,812 March 2020 Drinking Water State Revolving Fund agreement to construct water lines due on May 1 in annual installments of \$225,020, 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 maximum 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 2024. 3,825,333

Bethlehem Sewer Fund:

\$4,987,289 June 2020 Drinking Water State Revolving Fund agreement to construct sewage system due on May 1 in annual installments of \$248,854, with interest payable on May 1 and November 1 at 0.80% through May 2041, unsecured. 4,479,370

Total proprietary funds \$ 11,277,188

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 \$1,000,179, \$1,972,306, \$3,825,333, and \$4,479,370 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,

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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.

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

Business-Type Activities:

Proprietary Funds:

Year Ending June 30	County Water and Sewer		Bethlehem Sewer	
	Principal	Interest	Principal	Interest
2024	\$ 589,414	\$ 53,902	\$ 248,854	\$ 35,835
2025	589,414	47,766	248,854	33,844
2026	589,414	41,630	248,854	31,853
2027	589,414	35,494	248,854	29,862
2028	589,414	29,358	248,854	27,872
2029-2033	1,946,892	96,758	1,244,269	109,496
2034-2038	1,453,816	48,379	1,244,269	59,725
2039-2041	450,040	5,806	746,562	11,945
Total proprietary funds	<u>\$ 6,797,818</u>	<u>\$ 359,093</u>	<u>\$ 4,479,370</u>	<u>\$ 340,432</u>

Total	
Principal	Interest
\$ 838,268	\$ 89,737
838,268	81,610
838,268	73,483
838,268	65,356
838,268	57,230
3,191,161	206,254
2,698,085	108,104
1,196,602	17,751
<u>\$ 11,277,188</u>	<u>\$ 699,525</u>

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

A summary of changes in long-term obligations follows:

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2023</u>	<u>Current Portion</u>
Governmental Activities:					
Notes payable - direct placements	\$ 2,689,000	\$ -	\$ 693,000	\$ 1,996,000	\$ 679,000
Lease liabilities	101,097	28,524	32,883	96,738	32,659
Subscription liabilities	-	775,618	293,016	482,602	293,153
Compensated absences	1,474,722	1,309,298	1,036,139	1,747,881	1,036,000
Total OPEB liability	27,084,178	1,176,026	7,870,229	20,389,975	-
Total pension liability (LEOSSA)	1,275,155	123,180	279,215	1,119,120	-
Net pension obligation (LGRS)	2,951,892	7,364,415	-	10,316,307	-
Total	<u>\$ 35,576,044</u>	<u>\$10,777,061</u>	<u>\$ 10,204,482</u>	<u>\$ 36,148,623</u>	<u>\$ 2,040,812</u>
Business-Type Activities:					
County Water and Sewer Fund:					
Notes payable - direct borrowings	<u>\$ 7,434,039</u>	<u>\$ -</u>	<u>\$ 636,221</u>	<u>\$ 6,797,818</u>	<u>\$ 589,414</u>
Bethlehem Sewer Fund:					
Notes payable - direct borrowings	<u>4,646,989</u>	<u>81,235</u>	<u>248,854</u>	<u>4,479,370</u>	<u>248,854</u>
Solid Waste Fund:					
Lease liabilities	32,084	-	9,734	22,350	7,352
Total OPEB liability	485,221	44,871	147,884	382,208	-
Compensated absences	15,046	10,727	6,362	19,411	6,300
Net pension obligation (LGRS)	69,293	101,251	-	170,544	-
Total	<u>601,644</u>	<u>156,849</u>	<u>163,980</u>	<u>594,513</u>	<u>13,652</u>
Landfill Closure Fund:					
Accrued landfill post-closure costs	<u>2,924,750</u>	<u>706,944</u>	<u>67,794</u>	<u>3,563,900</u>	<u>-</u>
Total business-type activities	<u>\$ 15,607,422</u>	<u>\$ 945,028</u>	<u>\$ 1,116,849</u>	<u>\$ 15,435,601</u>	<u>\$ 851,920</u>

At June 30, 2023, the County had a legal debt margin of \$216,083,106.

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, 2023

C. Interfund Balances and Activity

The following is a summary of interfund receivables and payables as of June 30, 2023:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>	<u>Purpose</u>
EF County Water and Sewer Fund	American Rescue Plan Act Fund - major SRF	\$ 1,400	Time lag for when transfer was made to EFCPF to reimburse expenditures
General Fund	County Water and Sewer Fund	28,847	Local funds advanced for project costs prior to State loan and grant reimbursements
	SRF - Soil & Water Streamflow Rehab Assistance (StRAP)	48,350	Local funds advanced for project costs prior to grant reimbursement
	Revaluation Fund	97,991	Allocation of pooled cash in central depository
Capital Improvements Fund CPF	General Fund	<u>7,745</u>	Sales tax hold harmless amount due to schools
Total		<u><u>\$ 184,333</u></u>	

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Transfers for the year ended June 30, 2023, are summarized below:

	From	To	Purpose
Transfers From/to Other Funds:			
General Fund	\$ 4,064,321	\$ -	
Major Capital Project (Capital Improvements) Fund	-	3,151,423	School sales tax hold harmless funds; Resources for school capital expenditures
Capital Project (Housing Our Teachers Downtown Revitalization Project) Fund	-	100,000	Local funds for general government grant project
Special Revenue (Emergency Telephone System) Fund	-	2,735	Reimburse ETSF for FY 2022 ineligible expenditures
Special Revenue (Hancock & Moore Building Reuse Project) Fund	-	4,000	Local funds for economic development grant project
Enterprise (County Water and Sewer) Fund	-	313,905	Use of Art. 44*524 sales tax for debt service payment
Enterprise (Bethlehem Sewer) Fund	-	287,456	Use of Art. 44*524 sales tax for debt service payment
Enterprise (Solid Waste) Fund	-	154,802	Resources for current year operations
Enterprise (Landfill Closure Fund) Fund	-	50,000	Resources for landfill closure and post-closure
Enterprise (County Water and Sewer CPF Industrial Timber Project) Fund	1	-	Return unused local funds to General fund - closed grant project
Capital Project (Park Improvements Capital Project) Fund	32,196	-	Return unused local funds to General fund - closed Courthouse project
Enterprise (Bethlehem Sewer CPF - Sewer Collection Line Extension and Pump Station Upgrade Project) Fund	871,650	-	Return unused local funds to General fund - closed DEQ Bethlehem Sewer project
General Fund	-	903,847	
Special Revenue (2022 State Appropriations Act - Directed Grants to Local Govts) Fund	37,501	-	Grant funds for Bethlehem Park project
Capital Project (Park Improvements Capital Project) Fund	-	37,501	
Enterprise (Solid Waste) Fund	40,000	-	Resources for landfill closure and postclosure
Enterprise (Landfill Closure) Fund	-	40,000	
Major Special Revenue Fund (American Rescue Plan Act Fund)	83,680	-	Use ARPA funds for eligible water project expenses
Enterprise (County Water and Sewer Capital Project Fund 2021 American Rescue Plan Water Line Extension Project) Fund	-	83,680	
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>\$ 5,252,618</u>	<u>\$ 5,252,618</u>	

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 \$49,710 and administrative and other fees of \$59,728 to the Council during the fiscal year ended June 30, 2023.

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 \$47,727 as a special appropriation to the RTA during the fiscal year ended June 30, 2023.

5. Related Organizations and Parties

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, 2023, the County gave a contribution to the EDC of \$200,000 for operational costs.

For the fiscal year ended June 30, 2023, the County received the following from the Alexander County ABC Board: \$3,886 for tax distributions, \$3,790 for profit distributions-law enforcement, \$5,306 for profit distributions-alcohol education and \$40,904 for County general distributions. At June 30, 2023 the County's receivable from the Alexander County ABC Board profit distributions was for the following amounts: \$4,000 law enforcement, \$5,300 alcohol education, and \$40,000 County general distributions.

ALEXANDER COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

6. Implementation of GASB 96

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this statement is to establish a definition for subscription-based information technology arrangements (SBITAs) and enhance the relevance and consistency of information about governments' SBITA activities. This statement builds on the single model for lease accounting contained in GASB 87, *Leases*, based on the principle that leases are financings of the right-to-use an underlying asset. Under this statement, a SBITA results in a right-to-use subscription asset and a related subscription liability for the present value of the minimum subscription payments. The implementation of this standard did not have an effect on equity. Accordingly, there is no restatement to the report. See Note 2B Liabilities, Subscriptions for further discussion.

7. Restatement

For the year ended June 30, 2023, the financial statements include a prior period adjustment to beginning net position of the governmental activities on the Statement of Activities (full accrual statements) in the amount of \$2,526,675. The adjustment relates to new information on how to account for Opioid Settlement Fund receivable and allowance recognition.

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ALEXANDER COUNTY, NORTH CAROLINA

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

	Other Post-Employment Benefits		
	2023	2022	2021
Beginning balance	\$ 27,569,399	\$ 26,396,584	\$ 21,063,577
Service cost	616,852	625,155	502,516
Interest on TOL and cash flows	604,045	591,161	747,199
Differences between expected and actual experience	(2,897,759)	2,800	(44,869)
Changes of assumptions or other inputs	(4,675,537)	501,467	4,567,029
Benefit payments	(444,817)	(547,768)	(438,868)
Ending balance of the total pension liability	<u>\$ 20,772,183</u>	<u>\$ 27,569,399</u>	<u>\$ 26,396,584</u>
Covered payroll	\$ 3,934,214	\$ 4,313,896	\$ 4,313,896
Total OPEB liability as a percentage of covered employee payroll	527.99%	639.08%	611.90%

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
2023	3.54%
2022	2.16%
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

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

	Other Post-Employment Benefits		
	2020	2019	2018
Beginning balance			
Service cost	\$ 18,919,608	\$ 21,096,276	\$ 22,281,113
Interest on TOL and cash flows	447,913	614,532	701,420
Changes of benefit terms	728,543	746,404	666,149
actual experience			
Changes of assumptions or other inputs	20,141	(2,026,704)	318
Benefit payments	1,333,049	(1,248,862)	(2,250,682)
Other changes	(385,677)	(262,038)	(302,042)
	<u>\$ 21,063,577</u>	<u>\$ 18,919,608</u>	<u>\$ 21,096,276</u>
Covered payroll			
Total OPEB liability as a percentage of covered employee payroll	\$ 4,844,429	\$ 4,844,429	\$ 5,395,422
	434.80%	390.54%	391.00%

ALEXANDER COUNTY, NORTH CAROLINA

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

	Local Governmental Employees' Retirement System				
	2023	2022	2021	2020	2019
County's proportion of the net pension liability (asset) (%)	0.18589%	0.19700%	0.19092%	0.18491%	0.18217%
County's proportion of the net pension liability (asset) (\$)	\$ 10,486,851	\$ 3,021,185	\$ 6,822,384	\$ 5,049,748	\$ 4,321,696
County's covered payroll	\$ 13,960,240	\$ 13,462,439	\$ 13,224,436	\$ 12,478,024	\$ -
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	75.12%	22.44%	51.59%	40.47%	#DIV/0!
Plan fiduciary net position as a percentage of total pension liability**	84.14%	95.51%	88.61%	90.86%	91.63%

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.

ALEXANDER COUNTY, NORTH CAROLINA

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

	Local Governmental Employees' Retirement System				
	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.18628%	0.19470%	0.19330%	0.19219%	0.17920%
County's proportion of the net pension liability (asset) (\$)	\$ 2,845,844	\$ 4,132,187	\$ 867,519	\$ (1,133,437)	\$ 2,160,048
County's covered payroll	\$ 11,273,216	\$ 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	25.24%	36.93%	7.75%	-10.49%	21.71%
Plan fiduciary net position as a percentage of total pension liability**	94.18%	91.47%	98.09%	102.64%	94.35%

ALEXANDER COUNTY, NORTH CAROLINA

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

	Local Governmental Employees' Retirement System				
	2023	2022	2021	2020	2019
Contractually required contribution	\$ 2,116,789	\$ 1,603,507	\$ 1,384,770	\$ 1,203,342	\$ 986,192
Contributions in relation to the contractually required contribution	<u>2,116,789</u>	<u>1,603,507</u>	<u>1,384,770</u>	<u>1,203,342</u>	<u>986,192</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 17,268,763	\$ 13,960,240	\$ 13,462,439	\$ 13,224,436	\$ 12,478,024
Contributions as a percentage of covered payroll	12.26%	11.49%	10.29%	9.10%	7.90%

ALEXANDER COUNTY, NORTH CAROLINA

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

	Local Governmental Employees' Retirement System				
	2018	2017	2016	2015	2014
Contractually required contribution	\$ 905,906	\$ 843,491	\$ 771,344	\$ 800,901	\$ 767,041
Contributions in relation to the contractually required contribution	<u>905,906</u>	<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>	<u>\$ -</u>
County's covered payroll	\$ 11,840,407	\$ 11,273,216	\$ 11,190,724	\$ 11,199,058	\$ 10,804,503
Contributions as a percentage of covered payroll	7.65%	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 TEN FISCAL YEARS***

	Register of Deeds' Supplemental Pension Fund				
	2023	2022	2021	2020	2019
County's proportion of the net pension liability (asset) (%)	0.28691%	0.27344%	0.26904%	0.25802%	0.28513%
County's proportion of the net pension liability (asset) (\$)	\$ (37,987)	\$ (52,536)	\$ (61,659)	\$ (50,938)	\$ (47,226)
Plan fiduciary net position as a percentage of the total pension liability**	139.04%	156.53%	173.62%	164.11%	153.31%

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.

ALEXANDER COUNTY, NORTH CAROLINA

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

	Register of Deeds' Supplemental Pension Fund				
	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.27700%	0.28472%	0.28474%	0.29199%	0.26106%
County's proportion of the net pension liability (asset) (\$)	\$ (47,281)	\$ (53,232)	\$ (65,986)	\$ (66,171)	\$ (55,762)
Plan fiduciary net position as a percentage of the total pension liability**	153.77%	160.17%	197.29%	193.88%	190.50%

ALEXANDER COUNTY, NORTH CAROLINA**ALEXANDER COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

	Register of Deeds' Supplemental Pension Fund				
	2023	2022	2021	2020	2019
Contractually required contribution	\$ 2,623	\$ 3,289	\$ 3,282	\$ 2,576	\$ 2,452
Contributions in relation to the contractually required contribution	<u>2,623</u>	<u>3,289</u>	<u>3,282</u>	<u>2,576</u>	<u>2,452</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ALEXANDER COUNTY, NORTH CAROLINA

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

	Register of Deeds' Supplemental Pension Fund				
	2018	2017	2016	2015	2014
Contractually required contribution	\$ 2,440	\$ 2,407	\$ 2,326	\$ 2,278	\$ 2,384
Contributions in relation to the contractually required contribution	<u>2,440</u>	<u>2,407</u>	<u>2,326</u>	<u>2,278</u>	<u>2,384</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ALEXANDER COUNTY, NORTH CAROLINA

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

	Law Enforcement Officers' Special Separation Allowance			
	2023	2022	2021	2020
Beginning balance	\$ 1,275,155	\$ 1,246,557	\$ 900,925	\$ 831,550
Service cost	74,272	72,243	48,443	37,141
Interest on the total pension liability	27,853	23,360	28,438	29,627
Differences between expected and actual experience in the measurement of the total pension liability	21,055	38,969	3,238	12,183
Changes of assumptions or other inputs	(204,720)	(33,624)	322,680	25,642
Benefit payments	(74,495)	(72,350)	(57,167)	(35,218)
Ending balance of the total pension liability	<u>\$ 1,119,120</u>	<u>\$ 1,275,155</u>	<u>\$ 1,246,557</u>	<u>\$ 900,925</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 CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
LAST SEVEN FISCAL YEARS

	Law Enforcement Officers' Special Separation Allowance		
	2019	2018	2017
Beginning balance	\$ 828,599	\$ 736,944	\$ 703,068
Service cost	36,574	36,484	42,066
Interest on the total pension liability	25,679	27,937	24,851
Differences between expected and actual experience in the measurement of the total pension liability	4,957	(1,409)	-
Changes of assumptions or other inputs	(32,286)	55,020	(19,122)
Benefit payments	(31,973)	(26,377)	(13,919)
Ending balance of the total pension liability	<u>\$ 831,550</u>	<u>\$ 828,599</u>	<u>\$ 736,944</u>

ALEXANDER COUNTY, NORTH CAROLINA

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

	Law Enforcement Officers' Special Separation Allowance			
	2023	2022	2021	2020
Total pension liability	\$ 1,119,120	\$ 1,275,155	\$ 1,246,557	\$ 900,925
Covered-employee payroll	1,735,541	1,676,493	1,700,625	1,499,809
Total pension liability as a percentage of covered-employee payroll	64.48%	76.06%	73.30%	60.07%

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

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

	Law Enforcement Officers' Special Separation Allowance		
	2019	2018	2017
Total pension liability	\$ 831,550	\$ 828,599	\$ 736,944
Covered-employee payroll	1,390,740	1,580,388	1,652,773
Total pension liability as a percentage of covered-employee payroll	59.79%	52.43%	44.59%

ALEXANDER COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad Valorem Taxes:			
Taxes	\$ 21,987,133	\$ 22,632,257	\$ 645,124
Penalties and interest	166,000	191,430	25,430
Total	<u>22,153,133</u>	<u>22,823,687</u>	<u>670,554</u>
Local Option Sales Taxes:			
Article 39 one percent	3,636,000	3,698,475	62,475
Article 40 one-half of one percent	3,859,000	3,825,634	(33,366)
Article 42 one-half of one percent	1,903,557	2,016,243	112,686
Article 46 one-fourth of one percent	875,000	889,565	14,565
Article 44*524	2,089,000	2,214,539	125,539
Medicaid Hold Harmless	1,500,000	1,703,002	203,002
Total	<u>13,862,557</u>	<u>14,347,458</u>	<u>484,901</u>
Other Taxes and Licenses:			
ABC \$.05 per bottle	8,000	9,213	1,213
Alcoholic beverage tax distribution	152,000	154,108	2,108
Video programming distribution	144,000	134,596	(9,404)
Total	<u>304,000</u>	<u>297,917</u>	<u>(6,083)</u>
Unrestricted Intergovernmental Revenues:			
ABC net revenues	<u>-</u>	<u>80,904</u>	<u>80,904</u>
Restricted Intergovernmental Revenues:			
Federal and state grants	6,664,807	5,784,561	(880,246)
Controlled substance tax	45,000	11,006	(33,994)
Representative payee	200,000	94,078	(105,922)
Court facility fees	35,000	27,475	(7,525)
Total	<u>6,944,807</u>	<u>5,917,120</u>	<u>(1,027,687)</u>
Permits and Fees:			
Register of Deeds	547,000	458,118	(88,882)
Building inspections	400,000	350,135	(49,865)
Gun and concealed weapon permits	12,500	43,563	31,063
Other fees	295,134	365,455	70,321
Total	<u>1,254,634</u>	<u>1,217,271</u>	<u>(37,363)</u>
Sales and Services:			
Rents, concessions, and fees	158,720	176,573	17,853
Detention center fees	74,783	146,045	71,262
Ambulance fees	1,625,000	1,620,219	(4,781)

ALEXANDER COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Over/Under
Parks and Recreation Department	57,200	87,177	29,977
Health department	1,292,002	1,387,850	95,848
Information technology	1,500	1,364	(136)
Social services	26,362	16,085	(10,277)
Senior center	8,000	3,950	(4,050)
License plate agency	140,000	168,075	28,075
Library	2,000	196	(1,804)
Animal services	55,000	39,214	(15,786)
Fines and Forfeitures	145,000	116,586	(28,414)
State payments - soil and water technical assistance	25,479	25,479	-
Total	3,611,046	3,788,813	177,767
Investment Earnings	366,783	935,625	568,842
Miscellaneous:			
Insurance claim reimbursement	-	3,189	3,189
Donations	39,801	54,235	14,434
Grant	324,206	175,281	(148,925)
Sale of capital assets	4,000	41,493	37,493
Other	15,500	37,073	21,573
Total	383,507	311,271	(72,236)
Total revenues	48,880,467	49,720,066	839,599
Expenditures:			
General Government:			
Governing body	905,915	405,208	500,707
Administration	610,582	367,320	243,262
Planning	196,118	150,984	45,134
Elections	345,073	281,933	63,140
Finance	1,086,004	931,426	154,578
Tax office	740,809	699,920	40,889
Legal	255,191	181,682	73,509
Information technology	2,221,838	1,914,134	307,704
Register of Deeds	568,693	458,454	110,239
License plate agency	218,998	205,116	13,882
Public buildings	1,111,890	1,083,276	28,614
Garage	399,143	375,484	23,659
Human resources	1,129,208	995,035	134,173
Court facilities	323,071	184,001	139,070
Total	10,112,533	8,233,973	1,878,560

ALEXANDER COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Over/Under
Public Safety:			
Sheriff's office	4,627,404	4,246,224	381,180
Detention center	3,555,847	3,201,266	354,581
Pre-trial release program	137,222	98,517	38,705
RRS program	119,526	112,791	6,735
Fire/emergency services	1,234,292	1,175,689	58,603
Emergency communications	1,228,532	1,076,567	151,965
Forestry	78,376	73,471	4,905
Inspections	618,235	550,134	68,101
Emergency medical services	4,768,256	4,625,099	143,157
Medical examiner	40,000	32,100	7,900
Total	16,407,690	15,191,858	1,215,832
Environmental Protection:			
Soil and water	206,642	194,141	12,501
Animal services	612,746	483,998	128,748
Total	819,388	678,139	141,249
Economic and Physical Development:			
Economic development	339,998	310,753	29,245
Agricultural extension	243,990	243,491	499
Total	583,988	554,244	29,744
Health Department:			
Environmental health	520,764	445,374	75,390
General health	542,186	372,962	169,224
Maternal health	175,615	113,282	62,333
WIC program	165,254	173,555	(8,301)
Dental health	821,084	660,775	160,309
Family planning	191,640	218,027	(26,387)
Communicable disease	469,430	308,238	161,192
Health promotion	123,187	67,041	56,146
Child health	235,392	212,932	22,460
Preparedness	66,688	37,440	29,248
Care management for at-risk children	98,210	116,611	(18,401)
Care management for high-risk pregnancy	100,047	85,154	14,893
Behavioral health	118,505	26,315	92,190
COVID-19 crisis response	411,667	329,884	81,783
Primary care	229,354	188,720	40,634
Total	4,269,023	3,356,310	912,713
Veterans Service	89,277	85,719	3,558

ALEXANDER COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Over/Under
Juvenile Crime Prevention	143,587	140,704	2,883
Social Services Department:			
Administration	7,104,821	6,022,607	1,082,214
Ward assistance	19,995	5,998	13,997
In-home services	48,996	30,866	18,130
Public assistance	173,200	129,531	43,669
Emergency assistance account	6,000	5,239	761
Medical assistance	29,750	11,542	18,208
General assistance	606,204	352,166	254,038
Foster care	828,044	367,970	460,074
Adoption Enhancement Fund	67,485	8,949	58,536
Work first	32,470	20,674	11,796
Representative Payee	200,000	102,809	97,191
Aging nutrition	189,413	150,053	39,360
Total	9,306,378	7,208,404	2,097,974
Special appropriations	679,087	676,296	2,791
Senior center	220,632	204,694	15,938
Total human services	14,707,984	11,672,127	3,035,857
Cultural and Recreation:			
Recreation	449,958	417,431	32,527
County Parks	684,637	425,177	259,460
Library	657,776	635,368	22,408
Total	1,792,371	1,477,976	314,395
Education:			
Alexander County Board of Education:			
Current expenses	7,317,428	7,317,428	-
CVCC - Alexander County:			
Current expenses	155,025	137,025	18,000
Adult Basic Education Academy	22,000	22,000	-
Total	177,025	159,025	18,000
Fines and forfeitures:	145,000	116,586	28,414
Total education	7,639,453	7,593,039	46,414

ALEXANDER COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Debt Service:			
Principal retirement	1,020,616	1,018,899	1,717
Interest and fees	35,699	35,463	236
Total	<u>1,056,315</u>	<u>1,054,362</u>	<u>1,953</u>
Contingency	<u>261,563</u>	<u>-</u>	<u>261,563</u>
Total expenditures	<u>53,381,285</u>	<u>46,455,718</u>	<u>6,925,567</u>
Revenues over (under) expenditures	<u>(4,500,818)</u>	<u>3,264,348</u>	<u>7,765,166</u>
Other Financing Sources (Uses):			
Lease liabilities issued	60,000	28,524	(31,476)
Subscriptions issued	1,016,000	775,618	(240,382)
Transfers in:			
Capital project funds	32,198	32,196	(2)
Enterprise funds	871,651	871,651	-
Transfers out:			
Special revenue funds	(6,735)	(6,735)	-
Capital project funds	(4,035,233)	(3,251,423)	783,810
Enterprise funds	(820,802)	(806,163)	14,639
Appropriated fund balance	<u>7,383,739</u>	<u>-</u>	<u>(7,383,739)</u>
Total	<u>4,500,818</u>	<u>(2,356,332)</u>	<u>(6,857,150)</u>
Net change in fund balance	<u>\$ -</u>	<u>908,016</u>	<u>\$ 908,016</u>
Fund Balance:			
Beginning of year - July 1		<u>24,098,600</u>	
End of year - June 30		<u>\$ 25,006,616</u>	

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, 2023

		Actual		
	Budget	Prior Years	Current Year	Total to Date
Revenues:				
American Rescue Plan Act funds	\$ 7,283,353	\$ 68,300	\$ 176,264	\$ 244,564
Investment earnings	-	1,157	22,922	24,079
Total revenues	<u>7,283,353</u>	<u>69,457</u>	<u>199,186</u>	<u>268,643</u>
Expenditures:				
Broadband infrastructure expenses	<u>92,585</u>	<u>-</u>	<u>92,584</u>	<u>92,584</u>
Revenues over (under) expenditures	7,190,768	69,457	106,602	176,059
Other Financing Sources (Uses):				
Transfers out:				
County Water and Sewer Capital Project Fund	<u>(7,190,768)</u>	<u>(68,300)</u>	<u>(83,680)</u>	<u>(151,980)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,157</u>	<u>\$ 22,922</u>	<u>\$ 24,079</u>

ALEXANDER COUNTY, NORTH CAROLINA**MAJOR SPECIAL REVENUE FUND****OPIOID SETTLEMENT FUND****SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Opioid settlement funds	\$ -	\$ 425,822	\$ 425,822
Investment earnings	-	12,996	12,996
Total revenues	-	438,818	438,818
Net change in fund balance	\$ -	438,818	\$ 438,818
Fund Balance:			
Beginning of year - July 1		-	
End of year - June 30		\$ 438,818	

ALEXANDER COUNTY, NORTH CAROLINA

MAJOR CAPITAL PROJECT FUND
 CAPITAL IMPROVEMENTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
State lottery revenue	\$ 190,000	\$ -	\$ (190,000)
Public School Building Capital Fund Needs Based	175,000	-	(175,000)
Investment earnings	150,000	218,823	68,823
Total revenues	<u>515,000</u>	<u>218,823</u>	<u>(296,177)</u>
Expenditures:			
Education	4,439,883	1,410,706	3,029,177
Contingency	10,350	-	10,350
Total expenditures	<u>4,450,233</u>	<u>1,410,706</u>	<u>3,039,527</u>
Revenues over (under) expenditures	(3,935,233)	(1,191,883)	2,743,350
Other Financing Sources (Uses):			
Transfers in	<u>3,935,233</u>	<u>3,151,423</u>	<u>(783,810)</u>
Net change in fund balance	<u>\$ -</u>	1,959,540	<u>\$ 1,959,540</u>
Fund Balance:			
Beginning of year - July 1		<u>5,296,832</u>	
End of year - June 30		<u>\$ 7,256,372</u>	

ALEXANDER COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total
Assets:			
Cash and investments	\$ 651,282	\$ 114,880	\$ 766,162
Taxes receivable, net	72,448	-	72,448
Due from other governments	88,387	44,053	132,440
Cash and investments, restricted	1,166,925	-	1,166,925
Total assets	<u>\$ 1,979,042</u>	<u>\$ 158,933</u>	<u>\$ 2,137,975</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 4,510	\$ 8,535	\$ 13,045
Due to other funds	146,341	-	146,341
Advance from grantor	712,499	-	712,499
Liabilities payable from restricted assets:			
Payables	2,027	-	2,027
Total liabilities	<u>865,377</u>	<u>8,535</u>	<u>873,912</u>
Deferred Inflows of Resources:			
Taxes receivable	72,448	-	72,448
Unavailable revenues	48,350	44,053	92,403
Total deferred inflows of resources	<u>120,798</u>	<u>44,053</u>	<u>164,851</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	40,037	-	40,037
Restricted for public safety	645,216	-	645,216
Restricted for general government	195	-	195
Committed for tax revaluation	354,213	-	354,213
Committed for cultural and recreation	-	56,133	56,133
Committed for environmental protection	1,556	-	1,556
Committed for general government	-	50,212	50,212
Unassigned	(48,350)	-	(48,350)
Total fund balances	<u>992,867</u>	<u>106,345</u>	<u>1,099,212</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,979,042</u>	<u>\$ 158,933</u>	<u>\$ 2,137,975</u>

ALEXANDER COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total
Revenues:			
Ad valorem taxes	\$ 1,465,506	\$ -	\$ 1,465,506
Other taxes and licenses	254,364	-	254,364
Intergovernmental revenues	979,923	-	979,923
Investment earnings	17,007	-	17,007
Total revenues	<u>2,716,800</u>	<u>-</u>	<u>2,716,800</u>
Expenditures:			
Public safety	1,566,929	-	1,566,929
General government	274,785	49,788	324,573
Cultural and recreation	-	37,501	37,501
Environmental protection	435,464	-	435,464
Economic and physical development	558,385	-	558,385
Total expenditures	<u>2,835,563</u>	<u>87,289</u>	<u>2,922,852</u>
Revenues over (under) expenditures	<u>(118,763)</u>	<u>(87,289)</u>	<u>(206,052)</u>
Other Financing Sources (Uses):			
Transfers in	6,735	137,501	144,236
Transfers out	(37,501)	(32,196)	(69,697)
Total other financing sources (uses)	<u>(30,766)</u>	<u>105,305</u>	<u>74,539</u>
Net change in fund balances	(149,529)	18,016	(131,513)
Fund Balances:			
Beginning of year - July 1	<u>1,142,396</u>	<u>88,329</u>	<u>1,230,725</u>
End of year - June 30	<u>\$ 992,867</u>	<u>\$ 106,345</u>	<u>\$ 1,099,212</u>

ALEXANDER COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	Special Revenue Funds					
	Fire Districts Fund	Revaluation Fund	Emergency Telephone System Fund	Paul Robert Chair, Inc. Building Renovation Project	Soil and Water State Emergency Disaster Funds - Stream Debris Removal	Alexander EDC Site Development Project
Assets:						
Cash and investments	\$ 182,161	\$ -	\$ 467,565	\$ -	\$ 1,556	\$ -
Taxes receivable, net	72,448	-	-	-	-	-
Due from other governments	18,840	-	21,197	-	-	-
Cash and investments, restricted	-	454,231	-	-	-	-
Total assets	<u>\$ 273,449</u>	<u>\$ 454,231</u>	<u>\$ 488,762</u>	<u>\$ -</u>	<u>\$ 1,556</u>	<u>\$ -</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 4,510	\$ -	\$ -	\$ -
Due to other funds	-	97,991	-	-	-	-
Advance from grantor	-	-	-	-	-	-
Liabilities payable from restricted assets:						
Payables	-	2,027	-	-	-	-
Total liabilities	<u>-</u>	<u>100,018</u>	<u>4,510</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:						
Taxes receivable	72,448	-	-	-	-	-
Unavailable revenues	-	-	-	-	-	-
Total deferred inflows of resources	<u>72,448</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Restricted:						
Stabilization by state statute	18,840	-	21,197	-	-	-
Restricted for public safety	182,161	-	463,055	-	-	-
Restricted for general government	-	-	-	-	-	-
Committed for tax revaluation	-	354,213	-	-	-	-
Committed for environmental protection	-	-	-	-	1,556	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>201,001</u>	<u>354,213</u>	<u>484,252</u>	<u>-</u>	<u>1,556</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 273,449</u>	<u>\$ 454,231</u>	<u>\$ 488,762</u>	<u>\$ -</u>	<u>\$ 1,556</u>	<u>\$ -</u>

ALEXANDER COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	Special Revenue Funds				
	Soil and Water Emergency Watershed Protection Project	Soil & Water Streamflow Rehab Assistance (StRAP)	2022 State Appropriation Act Grant Fund	Hancock & Moore Building Reuse Project	Total Nonmajor Special Revenue Funds
Assets:					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 651,282
Taxes receivable, net	-	-	-	-	72,448
Due from other governments	-	48,350	-	-	88,387
Cash and investments, restricted	-	-	712,694	-	1,166,925
Total assets	<u>\$ -</u>	<u>\$ 48,350</u>	<u>\$ 712,694</u>	<u>\$ -</u>	<u>\$ 1,979,042</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 4,510
Due to other funds	-	48,350	-	-	146,341
Advance from grantor	-	-	712,499	-	712,499
Liabilities payable from restricted assets:					
Payables	-	-	-	-	2,027
Total liabilities	<u>-</u>	<u>48,350</u>	<u>712,499</u>	<u>-</u>	<u>865,377</u>
Deferred Inflows of Resources:					
Taxes receivable	-	-	-	-	72,448
Unavailable revenues	-	48,350	-	-	48,350
Total deferred inflows of resources	<u>-</u>	<u>48,350</u>	<u>-</u>	<u>-</u>	<u>120,798</u>
Fund Balances:					
Restricted:					
Stabilization by state statute	-	-	-	-	40,037
Restricted for public safety	-	-	-	-	645,216
Restricted for general government	-	-	195	-	195
Committed for tax revaluation	-	-	-	-	354,213
Committed for environmental protection	-	-	-	-	1,556
Unassigned	-	(48,350)	-	-	(48,350)
Total fund balances	<u>-</u>	<u>(48,350)</u>	<u>195</u>	<u>-</u>	<u>992,867</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 48,350</u>	<u>\$ 712,694</u>	<u>\$ -</u>	<u>\$ 1,979,042</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, 2023

	Special Revenue Funds					
	Fire Districts Fund	Revaluation Fund	Emergency Telephone System Fund	Paul Robert Chair, Inc. Building Renovation Project	Soil and Water State Emergency Disaster Funds - Stream Debris Removal	Alexander EDC Site Development Project
Revenues:						
Ad valorem taxes	\$ 1,465,506	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes and licenses	-	-	254,364	-	-	-
Intergovernmental revenues	-	-	-	22,036	179,037	500,000
Investment earnings	-	16,433	379	-	-	-
Total revenues	<u>1,465,506</u>	<u>16,433</u>	<u>254,743</u>	<u>22,036</u>	<u>179,037</u>	<u>500,000</u>
Expenditures:						
Public safety	1,426,944	-	139,985	-	-	-
General government	-	274,785	-	-	-	-
Environmental protection	-	-	-	-	178,114	-
Economic and physical development	-	-	-	22,036	-	500,000
Total expenditures	<u>1,426,944</u>	<u>274,785</u>	<u>139,985</u>	<u>22,036</u>	<u>178,114</u>	<u>500,000</u>
Revenues over (under) expenditures	<u>38,562</u>	<u>(258,352)</u>	<u>114,758</u>	<u>-</u>	<u>923</u>	<u>-</u>
Other Financing Sources (Uses):						
Transfers in	-	-	2,735	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,735</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	38,562	(258,352)	117,493	-	923	-
Fund Balances:						
Beginning of year - July 1	<u>162,439</u>	<u>612,565</u>	<u>366,759</u>	<u>-</u>	<u>633</u>	<u>-</u>
End of year - June 30	<u>\$ 201,001</u>	<u>\$ 354,213</u>	<u>\$ 484,252</u>	<u>\$ -</u>	<u>\$ 1,556</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, 2023

	Special Revenue Funds				
	Soil and Water Emergency Watershed Protection Project	Soil & Water Streamflow Rehab Assistance (StRAP)	2022 State Appropriation Act Grant Fund	Hancock & Moore Building Reuse Project	Total Nonmajor Special Revenue Funds
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,465,506
Other taxes and licenses	-	-	-	-	254,364
Intergovernmental revenues	209,000	-	37,501	32,349	979,923
Investment earnings	-	-	195	-	17,007
Total revenues	<u>209,000</u>	<u>-</u>	<u>37,696</u>	<u>32,349</u>	<u>2,716,800</u>
Expenditures:					
Public safety	-	-	-	-	1,566,929
General government	-	-	-	-	274,785
Environmental protection	209,000	48,350	-	-	435,464
Economic and physical development	-	-	-	36,349	558,385
Total expenditures	<u>209,000</u>	<u>48,350</u>	<u>-</u>	<u>36,349</u>	<u>2,835,563</u>
Revenues over (under) expenditures	<u>-</u>	<u>(48,350)</u>	<u>37,696</u>	<u>(4,000)</u>	<u>(118,763)</u>
Other Financing Sources (Uses):					
Transfers in	-	-	-	4,000	6,735
Transfers (out)	-	-	(37,501)	-	(37,501)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(37,501)</u>	<u>4,000</u>	<u>(30,766)</u>
Net change in fund balances	-	(48,350)	195	-	(149,529)
Fund Balances:					
Beginning of year - July 1	-	-	-	-	1,142,396
End of year - June 30	<u>\$ -</u>	<u>\$ (48,350)</u>	<u>\$ 195</u>	<u>\$ -</u>	<u>\$ 992,867</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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 1,394,335	\$ 1,465,506	\$ 71,171
Expenditures:			
Public safety:			
Bethlehem Fire District	359,934	359,934	-
Wittenburg Fire District	216,805	216,805	-
Hiddenite Fire District	195,488	195,488	-
East Alexander Fire District	138,130	138,130	-
Ellendale Fire District	148,703	148,703	-
Sugarloaf Fire District	125,181	125,181	-
Central Alexander Fire District	164,674	164,674	-
Vashti Fire District	78,029	78,029	-
Total expenditures	<u>1,426,944</u>	<u>1,426,944</u>	<u>-</u>
Revenues over (under) expenditures	(32,609)	38,562	71,171
Other Financing Sources (Uses):			
Appropriated fund balance	<u>32,609</u>	<u>-</u>	<u>(32,609)</u>
Net change in fund balance	<u>\$ -</u>	38,562	<u>\$ 38,562</u>
Fund Balance:			
Beginning of year - July 1		<u>162,439</u>	
End of year - June 30		<u>\$ 201,001</u>	

ALEXANDER COUNTY, NORTH CAROLINA**REVALUATION FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Investment earnings	\$ -	\$ 16,433	\$ 16,433
Expenditures:			
General government	291,701	274,785	16,916
Revenues over (under) expenditures	(291,701)	(258,352)	33,349
Other Financing Sources (Uses):			
Appropriated fund balance	291,701	-	(291,701)
Net change in fund balance	\$ -	(258,352)	\$ (258,352)
Fund Balance:			
Beginning of year - July 1		612,565	
End of year - June 30		<u>\$ 354,213</u>	

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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Other taxes and licenses	\$ 254,364	\$ 254,364	\$ -
Investment earnings	-	379	379
Total revenues	<u>254,364</u>	<u>254,743</u>	<u>379</u>
Expenditures:			
Public safety:			
Telephone	44,541	15,824	28,717
Furniture	97,194	15,612	81,582
Software and software maintenance	76,008	39,370	36,638
Hardware and hardware maintenance	161,609	68,794	92,815
Training	3,000	385	2,615
Total expenditures	<u>382,352</u>	<u>139,985</u>	<u>242,367</u>
Revenues over (under) expenditures	<u>(127,988)</u>	<u>114,758</u>	<u>242,746</u>
Other Financing Sources (Uses):			
Transfers in	2,735	2,735	-
Appropriated fund balance	125,253	-	(125,253)
Total other financing sources (uses)	<u>127,988</u>	<u>2,735</u>	<u>(125,253)</u>
Net change in fund balance	<u>\$ -</u>	117,493	<u>\$ 117,493</u>
Fund Balance:			
Beginning of year - July 1		<u>366,759</u>	
End of year - June 30		<u>\$ 484,252</u>	

ALEXANDER COUNTY, NORTH CAROLINA

PAUL ROBERT CHAIR, INC. BUILDING RENOVATION PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

		Actual		
	Budget	Prior Years	Current Year	Total to Date
Revenues:				
NC Department of Commerce	\$ 60,000	\$ 32,413	\$ 22,036	\$ 54,449
Expenditures:				
Economic and physical development:				
Building renovation	60,000	32,413	22,036	54,449
Administration	3,000	3,000	-	3,000
Total expenditures	63,000	35,413	22,036	57,449
Revenues over (under) expenditures	(3,000)	(3,000)	-	(3,000)
Other Financing Sources (Uses):				
Transfers in:				
General Fund	3,000	3,000	-	3,000
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

ALEXANDER COUNTY, NORTH CAROLINA

SOIL AND WATER STATE EMERGENCY DISASTER FUNDS - STREAM DEBRIS REMOVAL
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

		Actual		
	Budget	Prior Years	Current Year	Total to Date
Revenues:				
NC Department of Agriculture grant:				
Construction	\$ 154,997	\$ -	\$ 154,997	\$ 154,997
Administration	24,040	-	24,040	24,040
Total revenues	<u>179,037</u>	<u>-</u>	<u>179,037</u>	<u>179,037</u>
Expenditures:				
Environmental protection:				
Construction	158,997	-	157,441	157,441
Administration	24,040	3,367	20,673	24,040
Total expenditures	<u>183,037</u>	<u>3,367</u>	<u>178,114</u>	<u>181,481</u>
Revenues over (under) expenditures	(4,000)	(3,367)	923	(2,444)
Other Financing Sources (Uses):				
Transfers in:				
General Fund	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 633</u>	<u>\$ 923</u>	<u>\$ 1,556</u>

ALEXANDER COUNTY, NORTH CAROLINA

ALEXANDER EDC SITE DEVELOPMENT PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

		Actual		
	Budget	Prior Years	Current Year	Total to Date
Revenues:				
NC Railroad Company grant	\$ 500,000	\$ -	\$ 500,000	\$ 500,000
Expenditures:				
Economic and physical development:				
Site preparation and grading	500,000	-	500,000	500,000
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

ALEXANDER COUNTY, NORTH CAROLINA

SOIL AND WATER EMERGENCY WATERSHED PROTECTION PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

		Actual		
	Budget	Prior Years	Current Year	Total to Date
Revenues:				
USDA Natural Resources Conservation				
Service grants:				
Construction financial assistance	\$ 142,500	\$ -	\$ 142,500	\$ 142,500
Administration financial assistance	19,000	-	19,000	19,000
NC Department of Agriculture grant	47,500	-	47,500	47,500
Total revenues	<u>209,000</u>	<u>-</u>	<u>209,000</u>	<u>209,000</u>
Expenditures:				
USDA Natural Resources Conservation				
Service grants:				
Construction financial assistance	142,500	-	142,500	142,500
Administration financial assistance	19,000	-	19,000	19,000
NC Dept of Agriculture - construction	47,500	-	47,500	47,500
Total expenditures	<u>209,000</u>	<u>-</u>	<u>209,000</u>	<u>209,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ALEXANDER COUNTY, NORTH CAROLINA

SOIL & WATER STREAMFLOW REHAB ASSISTANCE PROGRAM (StRAP)
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

		Actual		
	Budget	Prior Years	Current Year	Total to Date
Revenues:				
Construction grant - NCDACS	\$ 334,613	\$ -	\$ -	\$ -
Admin grant - NCDACS	50,192	-	-	-
Total revenues	<u>384,805</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Environmental protection:				
Construction	334,613	-	-	-
Administration	50,192	-	48,350	48,350
Total expenditures	<u>384,805</u>	<u>-</u>	<u>48,350</u>	<u>48,350</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (48,350)</u>	<u>\$ (48,350)</u>

ALEXANDER COUNTY, NORTH CAROLINA

2022 STATE APPROPRIATIONS ACT - DIRECTED GRANTS TO LOCAL GOVERNMENTS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

		Actual		
	Budget	Prior Years	Current Year	Total to Date
Revenues:				
2022 State Appropriations Act - OSBM	\$ 750,000	\$ -	\$ 37,501	\$ 37,501
Investment earnings	-	-	195	195
Total revenues	<u>750,000</u>	<u>-</u>	<u>37,696</u>	<u>37,696</u>
Other Financing Sources (Uses):				
Transfers out:				
Capital Projects Fund	<u>(750,000)</u>	<u>-</u>	<u>(37,501)</u>	<u>(37,501)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 195</u>	<u>\$ 195</u>

ALEXANDER COUNTY, NORTH CAROLINA**HANCOCK & MOORE LLC BUILDING REUSE PROJECT****SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

		Actual		
	Budget	Prior Years	Current Year	Total to Date
Revenues:				
NC Department of Commerce	\$ 80,000	\$ -	\$ 32,349	\$ 32,349
Expenditures:				
Economic and physical development:				
Building renovation	80,000	-	32,349	32,349
Grant administration	4,000	-	4,000	4,000
Total expenditures	84,000	-	36,349	36,349
Revenues over (under) expenditures	(4,000)	-	(4,000)	(4,000)
Other Financing Sources (Uses):				
Transfers in:				
General Fund	4,000	-	4,000	4,000
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

ALEXANDER COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	Park Improvements Capital Project Fund	Housing Our Teachers Downtown Revitalization Project Fund	Total Nonmajor Capital Project Funds
Assets:			
Cash and investments	\$ 56,133	\$ 58,747	\$ 114,880
Due from other governments	-	44,053	44,053
Total assets	<u>\$ 56,133</u>	<u>\$ 102,800</u>	<u>\$ 158,933</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	<u>\$ -</u>	<u>\$ 8,535</u>	<u>\$ 8,535</u>
Deferred Inflows of Resources:			
Unavailable revenues	<u>-</u>	<u>44,053</u>	<u>44,053</u>
Fund Balances:			
Committed for cultural and recreation	56,133	-	56,133
Committed for general government	<u>-</u>	<u>50,212</u>	<u>50,212</u>
Total fund balances	<u>56,133</u>	<u>50,212</u>	<u>106,345</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 56,133</u>	<u>\$ 102,800</u>	<u>\$ 158,933</u>

ALEXANDER COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	Park Improvements Capital Project Fund	Housing Our Teachers Downtown Revitalization Project Fund	Total Nonmajor Capital Project Funds
Expenditures:			
General government	\$ -	\$ 49,788	\$ 49,788
Cultural and recreation	37,501	-	37,501
Total expenditures	<u>37,501</u>	<u>49,788</u>	<u>87,289</u>
Revenues over (under) expenditures	<u>(37,501)</u>	<u>(49,788)</u>	<u>(87,289)</u>
Other Financing Sources (Uses):			
Transfers in	37,501	100,000	137,501
Transfers out	(32,196)	-	(32,196)
Total other financing sources (uses)	<u>5,305</u>	<u>100,000</u>	<u>105,305</u>
Net change in fund balances	(32,196)	50,212	18,016
Fund Balances:			
Beginning of year - July 1	<u>88,329</u>	<u>-</u>	<u>88,329</u>
End of year - June 30	<u>\$ 56,133</u>	<u>\$ 50,212</u>	<u>\$ 106,345</u>

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, 2023

		Actual		
	<u>Budget</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Contributions	\$ 63,276	\$ 63,276	\$ -	\$ 63,276
Expenditures:				
Construction/renovation costs	1,906,127	1,296,094	-	1,296,094
Professional/technical services	402,252	206,152	37,501	243,653
Total expenditures	<u>2,308,379</u>	<u>1,502,246</u>	<u>37,501</u>	<u>1,539,747</u>
Revenues over (under) expenditures	<u>(2,245,103)</u>	<u>(1,438,970)</u>	<u>(37,501)</u>	<u>(1,476,471)</u>
Other Financing Sources (Uses):				
Transfers in:				
Special revenue funds	750,000	-	37,501	37,501
General Fund	1,527,299	1,527,299	-	1,527,299
Transfers out:				
General Fund	<u>(32,196)</u>	<u>-</u>	<u>(32,196)</u>	<u>(32,196)</u>
Total other financing sources (uses)	<u>2,245,103</u>	<u>1,527,299</u>	<u>5,305</u>	<u>1,532,604</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>88,329</u>	\$ <u>(32,196)</u>	\$ <u>56,133</u>

ALEXANDER COUNTY, NORTH CAROLINA

HOUSING OUR TEACHERS DOWNTOWN REVITALIZATION PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual		
		Prior Years	Current Year	Total to Date
Revenues:				
NCDOC - Rural Transformation grant	\$ 650,000	\$ -	\$ -	\$ -
Expenditures:				
General government:				
Building rehab/construction (grant)	650,000	-	44,053	44,053
Building rehab/construction	67,500	-	-	-
Grant administration	32,500	-	5,735	5,735
Total expenditures	750,000	-	49,788	49,788
Revenues over (under) expenditures	(100,000)	-	(49,788)	(49,788)
Other Financing Sources (Uses):				
Transfers in:				
General Fund	100,000	-	100,000	100,000
Net change in fund balance	\$ -	\$ -	\$ 50,212	\$ 50,212

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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Water revenues	\$ 2,091,000	\$ 2,048,962	\$ (42,038)
Non-operating revenues:			
Investment earnings	57,000	79,032	22,032
Total revenues	<u>2,148,000</u>	<u>2,127,994</u>	<u>(20,006)</u>
Expenditures:			
Water and distribution	1,460,790	1,182,383	278,407
Capital outlay	412,710	36,966	375,744
Budgetary appropriations:			
Contingency	7,000	-	7,000
Debt principal	637,000	636,221	779
Interest and fees paid	69,000	67,284	1,716
Total expenditures	<u>2,586,500</u>	<u>1,922,854</u>	<u>663,646</u>
Revenues over (under) expenditures	<u>(438,500)</u>	<u>205,140</u>	<u>643,640</u>
Other Financing Sources (Uses):			
Transfer from Bethlehem Water	123,500	123,269	(231)
Transfer from General Fund	315,000	313,905	(1,095)
Total other financing sources (uses)	<u>438,500</u>	<u>437,174</u>	<u>(1,326)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 642,314</u>	<u>\$ 642,314</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 642,314	
Reconciling items:			
Capital contributions - capital project grants		113,906	
Capital project transfers from Special Revenue Fund		83,680	
Capital project expenditures not capitalized		(80,000)	
Capital project transfer from General Fund		(1)	
Capital outlay		36,966	
Debt principal		636,221	
Depreciation		(733,465)	
Change in accrued interest		1,090	
Change in net position		<u>\$ 700,711</u>	

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, 2023

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Expenditures:				
Engineering design, ER/Environmental preparation	\$ 344,258	\$ 340,710	\$ -	\$ 340,710
Funding administration/other	30,000	26,985	3,015	30,000
Loan fee	106,599	106,599	-	106,599
Water line construction and administration	5,155,137	4,244,623	245,996	4,490,619
Contingencies	119,613	-	-	-
Total expenditures	<u>5,755,607</u>	<u>4,718,917</u>	<u>249,011</u>	<u>4,967,928</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>4,959,891</u>	<u>-</u>	<u>4,959,891</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 240,974</u>	<u>\$ (249,011)</u>	<u>\$ (8,037)</u>

ALEXANDER COUNTY, NORTH CAROLINA

COUNTY WATER AND SEWER CAPITAL PROJECT FUND
INDUSTRIAL TIMBER PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
NC Department of Commerce	\$ 80,000	\$ -	\$ 80,000	\$ 80,000
Golden Leaf Foundation	147,368	147,368	-	147,368
Total revenues	<u>227,368</u>	<u>147,368</u>	<u>80,000</u>	<u>227,368</u>
Expenditures:				
Wastewater line installation	147,367	147,367	-	147,367
Building renovation	80,000	-	80,000	80,000
Grant administration - building reuse	4,000	4,000	-	4,000
Total expenditures	<u>231,367</u>	<u>151,367</u>	<u>80,000</u>	<u>231,367</u>
Revenues over (under) expenditures	<u>(3,999)</u>	<u>(3,999)</u>	<u>-</u>	<u>(3,999)</u>
Other Financing Sources (Uses):				
Transfers in:				
General Fund	4,000	4,000	-	4,000
Transfers out:				
General Fund	(1)	-	(1)	(1)
Total other financing sources (uses)	<u>3,999</u>	<u>4,000</u>	<u>(1)</u>	<u>3,999</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (1)</u>	<u>\$ -</u>

ALEXANDER COUNTY, NORTH CAROLINA

COUNTY WATER AND SEWER CAPITAL PROJECT FUND
2021 AMERICAN RESCUE PLAN WATER LINE EXTENSION PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Expenditures:				
Professional/technical services	\$ 600,000	\$ 68,300	\$ 83,680	\$ 151,980
Water line construction	<u>6,590,768</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>7,190,768</u>	<u>68,300</u>	<u>83,680</u>	<u>151,980</u>
Other Financing Sources (Uses):				
Transfer from ARPA grant project fund	<u>7,190,768</u>	<u>68,300</u>	<u>83,680</u>	<u>151,980</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ALEXANDER COUNTY, NORTH CAROLINA

COUNTY WATER AND SEWER CAPITAL PROJECT FUND
 ALEXANDER INDUSTRIAL PARK SEWER PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

		Actual		
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
NC Department of Environmental Quality	\$ 226,165	\$ -	\$ -	\$ -
Appalachian Regional Commission	226,165	-	33,906	33,906
Total revenues	452,330	-	33,906	33,906
Expenditures:				
Environmental review	5,000	-	-	-
Administration	25,000	-	13,095	13,095
Construction	422,330	-	20,811	20,811
Total expenditures	452,330	-	33,906	33,906
Revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -

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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Water sales	\$ 1,860,000	\$ 1,774,224	\$ (85,776)
Non-operating revenues:			
Investment earnings	93,000	95,049	2,049
Total revenues	<u>1,953,000</u>	<u>1,869,273</u>	<u>(83,727)</u>
Expenditures:			
Water and distribution	1,374,500	1,021,194	353,306
Budgetary appropriations:			
Capital outlay	455,000	-	455,000
Total expenditures	<u>1,829,500</u>	<u>1,021,194</u>	<u>808,306</u>
Revenues over (under) expenditures	123,500	848,079	724,579
Other Financing Sources (Uses):			
Transfer to County Water and Sewer Fund	<u>(123,500)</u>	<u>(123,269)</u>	<u>231</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 724,810</u>	<u>\$ 724,810</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 724,810	
Reconciling items:			
Depreciation		<u>(248,911)</u>	
Change in net position		<u>\$ 475,899</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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Landfill	\$ 1,720,000	\$ 1,871,457	\$ 151,457
Convenience center	300,500	277,026	(23,474)
Non-operating revenues:			
Intergovernmental revenues	118,500	126,615	8,115
Grant revenue	-	1,684	1,684
Miscellaneous revenue	-	4,350	4,350
Total revenues	<u>2,139,000</u>	<u>2,281,132</u>	<u>142,132</u>
Expenditures:			
Convenience centers	230,208	219,042	11,166
Landfill operations	1,998,894	1,913,261	85,633
Capital outlay	59,350	6,875	52,475
Debt principal	9,935	9,734	201
Interest and fees paid	415	415	-
Total expenditures	<u>2,298,802</u>	<u>2,149,327</u>	<u>149,475</u>
Revenues over (under) expenditures	<u>(159,802)</u>	<u>131,805</u>	<u>291,607</u>
Other Financing Sources (Uses):			
Lease liabilities issued	45,000	-	(45,000)
Transfers from General Fund	154,802	154,802	-
Transfers to Landfill Closure Fund	(40,000)	(40,000)	-
Total other financing sources (uses)	<u>159,802</u>	<u>114,802</u>	<u>(45,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 246,607</u>	<u>\$ 246,607</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 246,607	
Reconciling items:			
Capital outlay capitalized		6,875	
Change in deferred outflows of resources - pension		38,378	
Change in net pension liability		(101,251)	
Change in deferred inflows of resources - pension		55,340	
Change in compensated absences		(4,365)	
Change in OPEB liability		103,013	
Change in deferred outflows of resources - OPEB		(28,032)	
Change in deferred inflows of resources - OPEB		(81,922)	
Debt principal payments - leases		9,734	
Change in accrued interest - leases		(143)	
Amortization - leases		(8,709)	
Depreciation		(51,992)	
Change in net position		<u>\$ 183,533</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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Non-operating revenues:			
Investment earnings	\$ 2,000	\$ 1,153	\$ (847)
Expenditures:			
Monitoring	92,000	73,544	18,456
Revenues over (under) expenditures	(90,000)	(72,391)	17,609
Other Financing Sources (Uses):			
Transfer in - Solid Waste Fund	40,000	40,000	-
Transfer in - General Fund	50,000	50,000	-
Total other financing sources (uses)	90,000	90,000	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 17,609	\$ 17,609
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 17,609	
Reconciling items:			
(Increase)/decrease in accrued landfill closure and post-closure care costs		(639,150)	
Change in net position		\$ (621,541)	

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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Sewer revenue	\$ 354,000	\$ 319,800	\$ (34,200)
Expenditures:			
Operations	354,000	196,030	157,970
Debt principal	260,000	248,854	11,146
Interest and fees paid	41,000	38,602	2,398
Total expenditures	<u>655,000</u>	<u>483,486</u>	<u>171,514</u>
Revenues over (under) expenditures	(301,000)	(163,686)	137,314
Other Financing Sources (Uses):			
Transfer in - General Fund	<u>301,000</u>	<u>287,456</u>	<u>(13,544)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 123,770</u>	<u>\$ 123,770</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 123,770	
Reconciling items:			
Capital project transfer to General Fund		(871,650)	
Depreciation		(155,417)	
Debt principal		248,854	
Change in accrued interest		<u>591</u>	
Change in net position		<u>\$ (653,852)</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, 2023

		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	\$ 684,874	\$ 682,462	\$ 2,412	\$ 684,874
Easement acquisition	26,700	26,700	-	26,700
Loan fee	103,626	103,626	-	103,626
Sewer line construction and administration	4,321,104	4,278,868	42,236	4,321,104
Total expenditures	<u>5,136,304</u>	<u>5,091,656</u>	<u>44,648</u>	<u>5,136,304</u>
Revenues over (under) expenditures	<u>(5,136,304)</u>	<u>(5,091,656)</u>	<u>(44,648)</u>	<u>(5,136,304)</u>
Other Financing Sources (Uses):				
Long-term debt issued	4,987,289	4,906,054	81,235	4,987,289
Transfer from General Fund	1,020,665	1,020,665	-	1,020,665
Transfer to General Fund	(871,650)	-	(871,650)	(871,650)
Total other financing sources (uses)	<u>5,136,304</u>	<u>5,926,719</u>	<u>(790,415)</u>	<u>5,136,304</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 835,063</u>	<u>\$ (835,063)</u>	<u>\$ -</u>

ALEXANDER COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF FIDUCIARY NET POSITION

CUSTODIAL FUNDS

JUNE 30, 2023

	Municipal Tax Fund	Sheriff's Civil Executions Fund	Jail Inmate Pay Fund	Total Custodial Funds
Assets:				
Cash and cash equivalents	\$ 10,413	\$ -	\$ 13,873	\$ 24,286
Taxes receivable for other governments, net	27,292	-	-	27,292
Total assets	<u>37,705</u>	<u>-</u>	<u>13,873</u>	<u>51,578</u>
Liabilities:				
Accounts payable	-	-	10,482	10,482
Due to other governments	10,413	-	-	10,413
Total liabilities	<u>10,413</u>	<u>-</u>	<u>10,482</u>	<u>20,895</u>
Net Position:				
Restricted for:				
Individuals, organizations and other governments	27,292	-	3,391	30,683
Total net position	<u>\$ 27,292</u>	<u>\$ -</u>	<u>\$ 3,391</u>	<u>\$ 30,683</u>

ALEXANDER COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Municipal Tax Fund	Sheriff's Civil Executions Fund	Jail Inmate Pay Fund	Total Custodial Funds
Additions:				
Property taxes collected for other governments	\$ 760,299	\$ -	\$ -	\$ 760,299
Collections on behalf of individuals/organizations	-	30,610	20,399	51,009
Total additions	<u>760,299</u>	<u>30,610</u>	<u>20,399</u>	<u>811,308</u>
Deductions:				
Property taxes distributed to other governments	759,047	-	-	759,047
Payments on behalf of individuals/organizations	-	30,610	17,008	47,618
Total deductions	<u>759,047</u>	<u>30,610</u>	<u>17,008</u>	<u>806,665</u>
Net increase (decrease) in fiduciary net position	1,252	-	3,391	4,643
Net position, beginning	<u>26,040</u>	<u>-</u>	<u>-</u>	<u>26,040</u>
Net position, ending	<u>\$ 27,292</u>	<u>\$ -</u>	<u>\$ 3,391</u>	<u>\$ 30,683</u>

ALEXANDER COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF AD VALOREM TAXES RECEIVABLE

JUNE 30, 2023

Fiscal Year	Uncollected Balance July 1, 2022	Additions	Collections and Credits	Uncollected Balance June 30, 2023
2023	\$ -	\$ 22,670,357	\$ 22,149,093	\$ 521,264
2022	507,210	-	252,899	254,311
2021	244,034	-	85,098	158,936
2020	182,151	-	73,123	109,028
2019	117,937	-	45,875	72,062
2018	84,311	-	24,665	59,646
2017	65,427	-	22,483	42,944
2016	47,910	-	12,902	35,008
2015	27,224	-	6,294	20,930
2014	28,377	-	2,564	25,813
2013	26,977	-	26,977	-
Total	<u>\$ 1,331,558</u>	<u>\$ 22,670,357</u>	<u>\$ 22,701,973</u>	1,299,942

Less: allowance for uncollectible ad valorem taxes receivable:

General Fund	<u>302,640</u>
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Ad Valorem Taxes Receivable, net:

General Fund	<u>\$ 997,302</u>
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Reconciliation of Collections and Credits with Revenues:

Ad valorem taxes - General Fund	\$ 22,823,687
Penalties collected on ad valorem taxes - Custodial Fund	<u>21,330</u>
Total ad valorem taxes	22,845,017

Reconciling items:

Interest and penalties collected	(191,430)
Tax refunds	17,467
Miscellaneous adjustments	3,942
Amounts written off for tax year 2013 per Statute of Limitations	<u>26,977</u>

Total collections and credits	<u><u>\$ 22,701,973</u></u>
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ALEXANDER COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2023

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
County-wide:					
Property tax	\$ 2,866,957,474	\$ 0.790	\$ 22,648,964	\$ 19,529,717	\$ 3,119,247
Late list penalties	-		21,423	21,423	-
Total original levy	<u>2,866,957,474</u>		<u>22,670,387</u>	<u>19,551,140</u>	<u>3,119,247</u>
Discoveries	<u>5,689,241</u>		<u>44,945</u>	<u>44,945</u>	<u>-</u>
Abatements and Discounts	<u>(5,693,038)</u>		<u>(44,975)</u>	<u>(44,975)</u>	<u>-</u>
Total property valuation	<u>\$ 2,866,953,677</u>				
Net Levy			22,670,357	19,551,110	3,119,247
Uncollected taxes at June 30, 2023			<u>521,264</u>	<u>521,264</u>	<u>-</u>
Current Year's Taxes Collected			<u>\$ 22,149,093</u>	<u>\$ 19,029,846</u>	<u>\$ 3,119,247</u>
Current Levy Collection Percentage			97.70%	97.33%	100.00%

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**ALEXANDER COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2023

MARTIN ♦ STARNES

& ASSOCIATES, CPAs, P.A.

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

**ALEXANDER COUNTY, NORTH CAROLINA
COMPLIANCE LETTERS
FOR THE YEAR ENDED JUNE 30, 2023**

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

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Independent Auditor's Report

To the Board of Commissioners
Alexander County
Taylorsville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the 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, 2023, not presented here, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 6, 2023. Our report includes reference to other auditors who audited the financial statements of the Alexander County ABC Board, as described in our report on Alexander County's financial statements. The financial statements of the Alexander County ABC Board and Alexander County Economic Development Corporation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal controls over financial reporting or instances of reportable noncompliance associated with the Alexander County ABC Board or the Alexander County Economic Development Corporation.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 6, 2023

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

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Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Alexander County
Taylorsville, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Alexander County, North Carolina's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Alexander County's major federal programs for the year ended June 30, 2023. Alexander County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

In our opinion, Alexander County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Alexander County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Alexander County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Alexander County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Alexander County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Alexander County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Alexander County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Alexander County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Alexander County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over

compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weakness or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act

We have audited the 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, 2023, and the related notes to the financial statements, which collectively comprise Alexander County's basic financial statements. We issued our report thereon dated November 6, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 6, 2023

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

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

Report On Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Alexander County
Taylorsville, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Alexander County, North Carolina's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Alexander County's major state programs for the year ended June 30, 2023. Alexander County's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

In our opinion, Alexander County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Alexander County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major state program. Our audit does not provide a legal determination of Alexander County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Alexander County's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Alexander County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Alexander County's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Alexander County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Alexander County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Alexander County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance

with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act

We have audited the 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, 2023, and the related notes to the financial statements, which collectively comprise Alexander County's basic financial statements. We issued our report thereon dated November 6, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 6, 2023

ALEXANDER COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023

1. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Non-compliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

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

Unmodified

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

_____ Yes X No

Identification of major federal programs:

Program Name

AL#

Medicaid Cluster

93.778

Supplemental Nutrition Assistance Program Cluster

10.561

Foster Care, Adoption, and Guardianship Assistance Program Cluster

93.658, 93.659

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

\$750,000

Auditee qualified as low-risk auditee?

_____ Yes X No

ALEXANDER COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023

1. Summary of Auditor's Results (continued)

State Awards

Internal control over major state programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

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

Any findings disclosed that are required to
be reported in accordance with the State
Single Audit Implementation Act? _____ Yes X No

Auditee qualified as low-risk auditee? _____ Yes X No

Identification of major state programs:

Program Name

Medicaid Cluster

School Nursing Funding Initiative

Foster Care, Adoption, and Guardianship Assistance Program Cluster

Drinking Water State Reserve Loan – State NC Connect Bonds

Watershed Restoration Project – Government

2. Financial Statement Findings

None reported.

3. Federal Award Findings, Responses, and Questioned Costs

None reported.

4. State Award Findings, Responses, and Questioned Costs

None reported.

ALEXANDER COUNTY, NORTH CAROLINA

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

2022-001: corrected

2022-002: corrected

ALEXANDER COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
Federal Awards:					
<u>U.S. Dept. of Agriculture</u>					
Passed-through the N.C. Dept. of Health and Human Services: Division of Social Services: <u>Supplemental Nutrition Assistance Program Cluster:</u> Administration:					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	215NC406S2514	\$ 342,494	\$ -	\$ -
COVID-19 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - FNS ARPA Funds	10.561	215NC406S2514	48,905	-	-
Total Supplemental Nutrition Assistance Program Cluster			391,399	-	-
Passed-through the N.C. Dept. of Health and Human Services: Division of Public Health: Administration:					
WIC Special Supplemental Nutrition Program for Women, Infants, & Children (Note 5)	10.557	13A25403(4,5,9)GC(D)02	163,661	-	-
Passed-through the Natural Resources Conservation Service: Emergency Watershed Protection Program	10.923	NR214532XXXXC006	161,500	-	-
Total U.S. Department of Agriculture			716,560	-	-
<u>U.S. Dept. of Treasury</u>					
Direct Programs:					
Equitable Sharing Program - Treasury Funds	21.016		13,185	-	-
COVID 19 - Coronavirus State Local Fiscal Recovery Funds	21.027		176,264	-	-
Passed-through the N.C. Department of Commerce: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Rural Transformation Grant Fund-Alexander County-Housing our Teachers	21.027	SA-0218	44,053	-	-
Total U.S. Dept. of Treasury			233,502	-	-
<u>U.S. Dept. of Transportation</u>					
Federal Transit Administration Passed-through the N.C. Department of Transportation: <u>Transit Services Programs Cluster:</u>					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	DOT-14	36,716	4,588	-
Total Transit Services Program Cluster			36,716	4,588	-
Total U.S. Dept. of Transportation			36,716	4,588	-
<u>Appalachian Regional Commission</u>					
Passed-through the N.C. Department of Commerce: Appalachian Area Development: Alexander County Water Sewer Infrastructure Project	23.002	NC19862-2020	33,906	-	-
Total Appalachian Regional Commission			33,906	-	-
<u>U.S. Institute of Museum and Library Services</u>					
Passed-through the State Library of North Carolina: Grants to States - Library Services and Technology Act	45.310	LS-252476-OLS-22	1,063	-	-
Total U.S. Institute of Museum and Library Services			1,063	-	-
<u>U.S. Department of Homeland Security</u>					
Division of Federal Emergency Management Agency Passed-through N.C. Dept. of Public Safety: Disaster Grants-Public Assistance (Presidentially Declared Disasters):					
Public Assistance Grants - Hurricane Eta	97.036	FEMA-4588-DR-NC Proj #79	3,167	1,056	-
Public Assistance Grants - Emergency Protective Measures-2020 and 2021 Message Boards	97.036	FEMA-4487-DR-NC Proj #778	98,594	32,864	-
Emergency Management Performance Grants	97.042	EMPG-2022-2220002	39,032	-	-
Total U.S. Department of Homeland Security			140,793	33,920	-
<u>U.S. Dept. of Health & Human Services</u>					
Administration for Community Living Passed-through Western Piedmont Council of Governments: Division of Aging and Adult Services: <u>Aging Cluster:</u>					
Special Programs for the Aging - Title III Part B Grants for Supportive Services and Senior Centers	93.044	566000272-2023	103,588	-	-
Special Programs for the Aging - Title III Part C: Nutrition Services	93.045	566000272-2023	92,732	-	-
Nutrition Services-ARPA Funds	93.045	566000272-2023	26,694	-	-
Nutrition Services Incentive Program	93.053	566000272-2023	31,298	-	-
Total Aging Cluster			254,312	-	-
Passed-through N.C. Department of Insurance: Division of SHIIP:					
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations:					
State Health Insurance Assistance Program	93.324	90SAPG0099-03-00	6,887	-	-
Special Programs for Aging, Title IV, and Title II, Discretionary Projects	93.048	90MPPG0043-05	2,800	-	-
Medicare Enrollment Assistance Program	93.071	2201NCMISH-00	2,848	-	-

ALEXANDER COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
Passed-through N.C. Department of Health and Human Services: <u>Special Children Adoption Fund Cluster (Note 4):</u>					
Division of Social Services					
MaryLee Allen Promoting Safe and Stable Families Program - Admin	93.556	2301NCFPSS	16,998	-	-
Stephanie Tubbs Jones Child Welfare Services Program:					
- Permanency Planning - Families for Kids	93.645	2301NCCWSS	9,429	-	-
Total Special Children Adoption Fund Cluster			26,427	-	-
<u>Temporary Assistance for Needy Families:</u>					
Division of Social Services:					
Temporary Assistance for Needy Families (Note 5)	93.558	2301NCTANF	210,683	-	-
Division of Public Health:					
Temporary Assistance for Needy Families (Note 5)	93.558	13A15151T202	3,469	-	-
Total TANF			214,152	-	-
<u>Foster Care, Adoption, and Guardianship Assistance Program Cluster (Note 4):</u>					
Administration:					
Foster Care Title IV-E	93.658	2301NCFOST	283,627	18,269	-
Foster Care Title IV-E	93.658	2301NCFOST	44,784	-	-
Adoption Assistance (Note 5)	93.659	2301NCADPT	5,531	-	-
Direct benefits:					
Foster Care - Title IV-E	93.658	2301NCFOST	176,429	42,281	-
Total Foster Care, Adoption, and Guardianship Assistance Program Cluster			510,371	60,550	-
Child Support Enforcement	93.563	2301NCCES	278,016	-	-
Low-Income Home Energy Assistance:					
Administration	93.568	2301NCLIEA	19,649	-	-
Energy Assistance Payments	93.568	2301NCLIEA	36,588	-	-
Crisis Intervention Program	93.568	2301NCLIEA	84,171	-	-
COVID 19 - LIHWAP ARPA	93.568	2301NCLIEA	9,840	-	-
COVID 19 - LIHWAP ARPA Administration	93.568	2301NCLIEA	4,628	-	-
COVID 19 - LIHWAP Administration	93.568	2301NCLIEA	4,991	-	-
LIHWAP CAA	93.568	2301NCLIEA	24,283	-	-
Total Low-Income Home Energy Assistance			184,150	-	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2301NCC1LP	3,653	913	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood -					
Direct Benefit Payments	93.674	2201NCC1LP	3,729	-	-
Total John H. Chafee Foster Care Program for Successful Transition to Adulthood			7,382	913	-
Division of Aging and Adult Services:					
Division of Social Services:					
Social Services Block Grant - State In Home Service Fund	93.667	2301NCSOSR	9,747	-	-
Social Services Block Grant - State Adult Day Care	93.667	2301NCSOSR	4,730	6,531	-
Social Services Block Grant - Other Service and Training	93.667	2301NCSOSR	141,837	-	-
Total Social Services Block Grant			156,314	6,531	-
Division of Child Development and Early Education:					
<u>Subsidized Child Care Program Cluster (Note 4):</u>					
<u>Child Care Development Fund Cluster:</u>					
Division of Social Services:					
Child Care Mandatory and Matching Funds of the Child Care and					
Development Fund -Administration	93.596	2301NCCCDF	80,000	-	-
Total Subsidized Child Care Program Cluster / Child Care					
Development Fund Cluster			80,000	-	-
<u>Centers for Medicare and Medicaid Services</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Health Benefits:					
<u>Medicaid Cluster:</u>					
Division of Social Services:					
Administration:					
Medical Assistance Program (Note 5)	93.778	XIX-MAP23	1,228,127	186,280	-
Total Medicaid Cluster			1,228,127	186,280	-
Division of Social Services:					
Administration:					
Children's Health Insurance Program - N.C. Health Choice (Note 5)	93.767	CHIP23	42,358	1,563	-
<u>Centers for Disease Control and Prevention</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Passed-through Cabarrus Health Alliance					
COVID-19 - Public Health Emergency Response: Cooperative Agreement for					
Emergency Response: Public Health Crisis Response	93.354	NU90TP922192	93,235	-	-
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Public Health Emergency Preparedness	93.069	12642680EU(ER)02	30,068	-	-
		14602720NF02;			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	1460UK77NF	2,050	-	-
Family Planning Services	93.217	13A15900FP02	37,663	-	-
Immunization Cooperative Agreements	93.268	1331631DEJ02	11,712	-	-
COVID-19 - Immunization Cooperative Agreements	93.268	13316315LD02	43,099	-	-

ALEXANDER COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	1332892AL502; 1175883AP502	207,617	-	-
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) - Support for County Confinement Facilities	93.323	NU50CK000530	86,324	-	-
Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			293,941	-	-
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	1332535AYM02	88,205	-	-
Preventive Health and Health Services Block Grant	93.991	12615503PH02	24,008	-	-
		13A15735AP02; 13A157400002;			
Maternal and Child Health Services Block Grant to the States	93.994	12715745AR02	16,445	8,309	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	13114631NB02	88	-	-
Total U.S. Dept. of Health and Human Services			3,634,658	264,146	-
Total federal awards			4,797,198	302,654	-
State Awards:					
<u>N.C. Dept. of Military and Veteran Affairs</u>					
Veterans Service		011823-1397	-	2,083	-
<u>N.C. Dept. of Cultural and Natural Resources</u>					
State Library of North Carolina					
State Aid for Public Libraries		566000272-2023	-	97,245	-
<u>N.C. Office of State Budget and Management</u>					
Register of Deeds Grant		2081RD1	-	2,000	-
Register of Deeds Grant		2081RD2	-	2,166	-
State Directed Grant		20811	-	37,501	-
Total N. C. Office of State Budget and Management			-	41,667	-
<u>N.C. Dept. of Agriculture and Consumer Services</u>					
Division of Soil & Water Conservation					
Watershed Restoration Project - Government		19-091-4090	-	223,170	-
StreamFlow Rehabilitation Program (StRAP)		22-080-4044	-	48,350	-
Total N. C. Dept. of Agriculture and Consumer Services			-	271,520	-
<u>N.C. Dept. of Commerce</u>					
Building Reuse Grant - Paul Robert Chair, Inc./Project Frame		2022-020-3201-2587	-	22,036	-
Building Reuse Grant - Industrial Timber, Inc./Project Buckeye One		2021-061-3201-2587	-	80,000	-
Building Reuse Grant - Hancock & Moore, LLC/Project Bumble Bee		2023-014-3201-2587	-	32,349	-
Total N. C. Dept. of Commerce			-	134,385	-
<u>N.C. Department of Environmental Quality</u>					
Division of Water Infrastructure					
Drinking Water State Reserve Loan (Note 6):					
State NC Connect Bonds Water Line Extension Project (SRP)		H-SRP-D-17-0098	-	249,011	-
Wastewater State Reserve Loan (Note 6):					
State NC Connect Bonds: Sewer Line Extension Project (SRP)		E-SRP-W-17-0067	-	44,648	-
Division of Waste Management-Solid Waste Section					
Scrap Tire Disposal Grant		566000272	-	1,684	-
Total N. C. Dept. of Environmental Quality			-	295,343	-
<u>N.C. Dept. of Health and Human Services</u>					
Division of Aging and Adult Services					
Passed-through Western Piedmont Council of Governments					
Senior Center General Purpose Funds		ZGA370-11	-	3,676	-
Division of Social Services					
DCD Smart Start			-	8,000	-
St Child Welfare/CPS/CS LD			-	149,783	-
Extended FC/Max Non IV-E - direct benefits			-	20,760	-
F/C At Risk Maximization - direct benefits			-	3,216	-
SFHF Maximization - direct benefits			-	11,920	-
State Foster Home - direct benefits			-	18,951	-
Total Division of Social Service			-	212,630	-

ALEXANDER COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
Division of Public Health					
General Aid to Counties / PH Capacity Building		116141100002	-	85,275	-
General Communicable Disease Control		117545100002	-	10,112	-
Family Planning - State		13A157350002	-	18,397	-
Healthy Communities		126155030002	-	3,747	-
Public Health Nursing		116143010002	-	400	-
Women Health Service Fund		13A16021FR02	-	6,731	-
Food and Lodging Fees		11534752SZ02	-	4,920	-
School Nursing Funding Initiative		133253580002	-	150,000	150,000
Maternal Health		13A157400002	-	21,003	-
		13114536RQ(RR)02;			
HIV/STD State		13114601RQ(RR)02	-	951	-
Tuberculosis Control		14604551(4)0002	-	2,951	-
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		2SF1249NTT	-	102,855	-
Total Division of Public Health			-	407,342	150,000
Total N.C. Department of Health and Human Services			-	623,648	150,000
N.C. Dept. of Public Safety					
		ALEXANDERCO 2021-			
Division of Administration-Alexander County Sheriff's Office		2023	-	84,270	-
North Carolina Tier II		T2-2022-2270051	-	938	-
Juvenile Crime Prevention Programs		536301	-	134,817	-
Total N. C. Department of Public Safety			-	220,025	-
Total state awards			-	1,685,916	150,000
Total federal and state awards			\$ 4,797,198	\$ 1,988,570	\$ 150,000

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and state grant activity of Alexander County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2023. The information in this SEFSA is presented in accordance with the requirements of Title 2 US *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Alexander County, it is not intended to and does not present the financial position, changes in net position or cash flows of Alexander County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

Alexander County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4: Cluster of Programs

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

Note 5: Benefit Payments Issued by the State

The amounts listed below were paid directly to individual recipients by the state from federal and state moneys. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the state. These amounts disclose this additional aid to County recipients that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

Program Title	AL No.	Federal	State
Special Supplemental Nutrition Program for Women Infant and Children	10.557	\$ 493,821	\$ -
Temporary Assistance for Needy Families	93.558	169,080	-
Adoption Assistance	93.659	356,997	78,355
Medical Assistance Program	93.778	54,456,320	20,713,429
Children's Health Insurance Program	93.767	355,201	80,109
Pandemic Emergency Assistance	93.558	39,771	-
Child Welfare Services Adoption Subsidy & Vendor		-	115,742
State / County Special Assistance Program		-	112,430

Note 6: Loans Outstanding

Alexander County had the following loan balances outstanding at June 30, 2023. The projects are in process and are expected to be completed and fully drawn down during the next 12 months. The balance of loans outstanding at June 30, 2023 consist of:

Program Title	AL #	Pass-through Grantor's Number	Amount Outstanding
Drinking Water State Reserve Loan - State NC Connect Bonds	N/A	H-SRP-D-17-0098	\$ 3,825,333
Wastewater State Reserve Loan - State NC Connect Bonds	N/A	E-SRP-W-17-0067	4,479,370