

**ALEXANDER COUNTY  
NORTH CAROLINA**

**ANNUAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2024**

**MARTIN  STARNES**  

---

**& ASSOCIATES, CPAs, P.A.**

*“A Professional Association of Certified Public Accountants and Management Consultants”*



**ALEXANDER COUNTY  
NORTH CAROLINA**

**BOARD OF COMMISSIONERS**

JOSH LAIL, CHAIRMAN

RONNIE REESE, VICE CHAIRMAN

KENT HERMAN

MARTY PENNELL

LARRY YODER

TODD HERMS, COUNTY MANAGER



**ALEXANDER COUNTY, NORTH CAROLINA  
ANNUAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2024**

**TABLE OF CONTENTS**

<u>Exhibit</u>		<u>Page</u>
	Independent Auditor's Report	1-3
	Management's Discussion and Analysis	4-14
	<b>Basic Financial Statements:</b>	
	<b>Government-Wide Financial Statements:</b>	
A	Statement of Net Position	15-16
B	Statement of Activities	17-18
	<b>Fund Financial Statements:</b>	
C	Balance Sheet - Governmental Funds	19-20
D	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	21
E	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	22
F	General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	23
G	Opioid Settlement Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	24
H	Statement of Net Position - Proprietary Funds	25-26
I	Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	27-28
J	Statement of Cash Flows - Proprietary Funds	29-30
K	Statement of Fiduciary Net Position - Fiduciary Funds	31
L	Statement of Changes in Fiduciary Net Position - Fiduciary Funds	32
	<b>Notes to the Financial Statements</b>	33-86

**ALEXANDER COUNTY, NORTH CAROLINA  
ANNUAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2024**

**TABLE OF CONTENTS**

<u>Schedule</u>		<u>Page</u>
	<b>Required Supplemental Financial Data:</b>	
1	Schedule of Changes in Total OPEB Liability and Related Ratios - Required Supplementary Information - Last Seven Fiscal Years	87-88
2	Alexander County's Proportionate Share of Net Pension Liability (Asset) - Local Governmental Employees' Retirement System - Required Supplementary Information - Last Ten Fiscal Years	89-90
3	Alexander County's Contributions - Local Governmental Employees' Retirement System - Required Supplementary Information - Last Ten Fiscal Years	91-92
4	Alexander County's Proportionate Share of Net Pension Liability (Asset) - Register of Deeds' Supplemental Pension Fund Required Supplementary Information - Last Ten Fiscal Years	93-94
5	Alexander County's Contributions - Register of Deeds' Supplemental Pension Fund - Required Supplementary Information - Last Ten Fiscal Years	95-96
6	Schedules of Changes in Total Pension Liability - Law Enforcement Officer's Special Separation Allowance - Last Eight Fiscal Years	97-98
7	Schedule of Total Pension Liability as a Percentage of Covered Employee Payroll - Law Enforcement Officer's Special Separation Allowance - Last Eight Fiscal Years	99-100
	<b>Supplementary Information:</b>	
	<b>General Fund:</b>	
8	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	101-105
	<b>Major Special Revenue Fund:</b>	
	<b>American Rescue Plan Act Fund:</b>	
9	Schedule of Revenues and Expenditures - Budget and Actual	106
	<b>Major Special Revenue Fund:</b>	
	<b>Opioid Settlement Fund:</b>	
10	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	107

**ALEXANDER COUNTY, NORTH CAROLINA  
ANNUAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2024**

**TABLE OF CONTENTS**

<u>Schedule</u>		<u>Page</u>
	<b>Major Capital Project Fund:</b>	
	<b>Capital Improvements Fund:</b>	
11	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	108
	<b>Nonmajor Governmental Funds:</b>	
12	Combining Balance Sheet	109
13	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	110
	<b>Nonmajor Special Revenue Funds:</b>	
14	Combining Balance Sheet	111-112
15	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	113-114
	<b>Fire Districts Fund:</b>	
16	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	115
	<b>Revaluation Fund:</b>	
17	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	116
	<b>Emergency Telephone System Fund:</b>	
18	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	117
	<b>Soil and Water State Emergency Disaster Funds - Stream Debris Removal:</b>	
19	Schedule of Revenues and Expenditures - Budget and Actual	118
	<b>Soil &amp; Water Streamflow Rehab Assistance Program (StRAP):</b>	
20	Schedule of Revenues and Expenditures - Budget and Actual	119
	<b>2022 State Appropriations Act - Directed Grants to Local Governments:</b>	
21	Schedule of Revenues and Expenditures - Budget and Actual	120
	<b>Hancock &amp; Moore LLC Building Reuse Project:</b>	
22	Schedule of Revenues and Expenditures - Budget and Actual	121

**ALEXANDER COUNTY, NORTH CAROLINA  
ANNUAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2024**

**TABLE OF CONTENTS**

<u>Schedule</u>		<u>Page</u>
	<b>Nonmajor Special Revenue Funds (continued):</b>	
	<b>2021 CDBG Neighborhood Revitalization Program:</b>	
23	Schedule of Revenues and Expenditures - Budget and Actual	122
	<b>Paragon Films Railway Project:</b>	
24	Schedule of Revenues and Expenditures - Budget and Actual	123
	<b>Nonmajor Capital Project Funds:</b>	
25	Combining Balance Sheet	124
26	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	125
	<b>2023 State Appropriations Act - Directed Grants to Local Governments:</b>	
27	Schedule of Revenues and Expenditures - Budget and Actual	126
	<b>Park Improvements Capital Project Fund:</b>	
28	Schedule of Revenues and Expenditures - Budget and Actual	127
	<b>16 West Main Avenue Downtown Revitalization Project</b>	
29	Schedule of Revenues and Expenditures - Budget and Actual	128
	<b>Major Enterprise Funds:</b>	
	<b>County Water and Sewer Fund:</b>	
30	Schedule of Revenues and Expenditures - Budget and Actual (NON-GAAP)	129
	<b>County Water and Sewer Capital Project Fund:</b>	
	<b>Water Line Extension Project:</b>	
31	Schedule of Revenues and Expenditures - Budget and Actual (NON-GAAP)	130
32	<b>2021 American Rescue Plan Water Extension Project</b> Schedule of Revenues and Expenditures - Budget and Actual (NON-GAAP)	131
	<b>Alexander Industrial Park Sewer Project</b>	
33	Schedule of Revenues and Expenditures - Budget and Actual (NON-GAAP)	132
	<b>Bethlehem Water District:</b>	
34	Schedule of Revenues and Expenditures - Budget and Actual (NON-GAAP)	133



**ALEXANDER COUNTY, NORTH CAROLINA  
ANNUAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2024**

**TABLE OF CONTENTS**

<u>Schedule</u>		<u>Page</u>
	<b>Major Enterprise Funds (continued):</b>	
	<b>Solid Waste Fund:</b>	
35	Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	134
	<b>Landfill Closure Fund:</b>	
36	Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	135
	<b>Bethlehem Sewer Fund:</b>	
37	Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	136
	<b>Custodial Funds:</b>	
38	Combining Statement of Fiduciary Net Position	137
39	Combining Statement of Changes in Fiduciary Net Position	138
	<b>General Fund:</b>	
40	Schedule of Ad Valorem Taxes Receivable	139
41	Analysis of Current Tax Levy County-Wide Levy	140

*This page left blank intentionally.*

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

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

## Independent Auditor's Report

To the Board of Commissioners  
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, 2024, 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, 2024, 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 86.19%, 77.69%, and 89.84%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2024. 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 26, 2024, 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 26, 2024

*This page left blank intentionally.*

## 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, 2024. 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

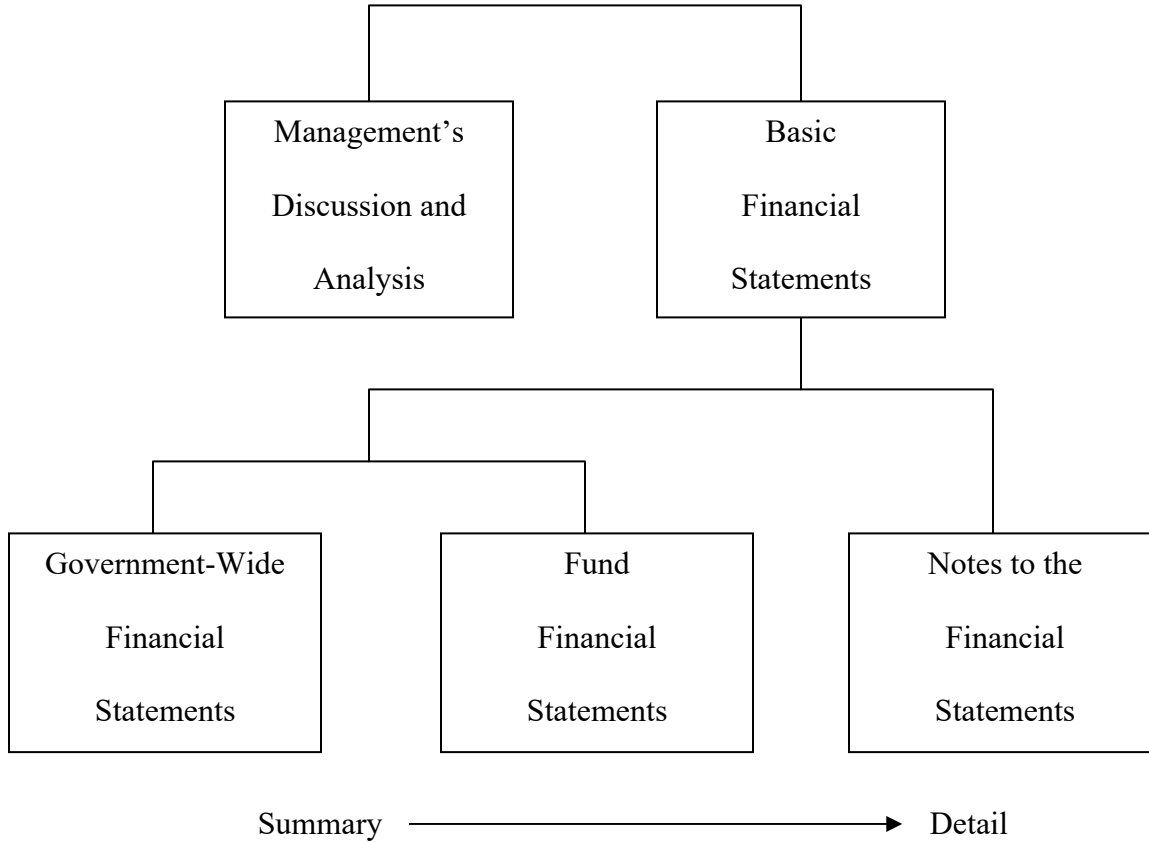
- The assets and deferred outflows of Alexander County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$54,407,626 (*net position*).
- The government's total net position increased by \$8,080,871, primarily due to adopting a property tax rate higher than the revenue-neutral tax rate following the general reappraisal of real property, 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 \$39,858,084 after a net increase in fund balance of \$6,032,987. Approximately 32.16% of this total amount, or \$12,817,643 is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$17,720,138, or 33.10%, of total General Fund expenditures and transfers out for the fiscal year.
- Alexander County's total debt decreased by \$1,341,685 (9.67%) during the current fiscal year. The key factor in this decrease is the timely debt service payments.

### 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 \$54,407,626 as of June 30, 2024. The County's net position increased by \$8,080,871 for the fiscal year ended June 30, 2024. The increase was primarily due to adopting a property tax rate higher than the revenue-neutral tax rate following the general reappraisal of real property and an increase in investment income and grant revenues. One of the largest portions, \$32,735,248 (60.17%), 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, \$12,842,134 (23.60%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$8,830,244 (16.23%) is unrestricted net position.

## Alexander County's Net Position

**Figure 2**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Assets:</b>						
Current and other assets	\$ 56,566,033	\$ 49,106,062	\$ 12,654,979	\$ 10,808,909	\$ 69,221,012	\$ 59,914,971
Capital assets	<u>22,205,418</u>	<u>20,259,334</u>	<u>23,063,023</u>	<u>24,000,782</u>	<u>45,268,441</u>	<u>44,260,116</u>
Total assets	<u>78,771,451</u>	<u>69,365,396</u>	<u>35,718,002</u>	<u>34,809,691</u>	<u>114,489,453</u>	<u>104,175,087</u>
<b>Deferred Outflows of Resources</b>						
	<u>10,006,993</u>	<u>9,789,929</u>	<u>179,366</u>	<u>172,810</u>	<u>10,186,359</u>	<u>9,962,739</u>
<b>Liabilities:</b>						
Long-term liabilities outstanding	39,141,627	36,163,114	15,541,057	15,452,036	54,682,684	51,615,150
Other liabilities	<u>11,475,843</u>	<u>9,577,539</u>	<u>137,559</u>	<u>208,943</u>	<u>11,613,402</u>	<u>9,786,482</u>
Total liabilities	<u>50,617,470</u>	<u>45,740,653</u>	<u>15,678,616</u>	<u>15,660,979</u>	<u>66,296,086</u>	<u>61,401,632</u>
<b>Deferred Inflows of Resources</b>						
	<u>3,793,905</u>	<u>6,189,593</u>	<u>178,195</u>	<u>219,846</u>	<u>3,972,100</u>	<u>6,409,439</u>
<b>Net Position:</b>						
Net investment in capital assets	20,563,889	17,683,994	12,171,359	12,701,244	32,735,248	30,385,238
Restricted	12,842,134	9,387,740	-	-	12,842,134	9,387,740
Unrestricted	<u>961,046</u>	<u>153,345</u>	<u>7,869,198</u>	<u>6,400,432</u>	<u>8,830,244</u>	<u>6,553,777</u>
Total net position	<u>\$ 34,367,069</u>	<u>\$ 27,225,079</u>	<u>\$ 20,040,557</u>	<u>\$ 19,101,676</u>	<u>\$ 54,407,626</u>	<u>\$ 46,326,755</u>

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

- Adopting a property tax rate higher than the revenue-neutral tax rate following the general reappraisal of real property
- Increased sales tax revenues
- Increased investment income

## Alexander County's Changes in Net Position

**Figure 3**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 5,489,257	\$ 5,359,775	\$ 6,510,538	\$ 6,295,819	\$ 11,999,795	\$ 11,655,594
Operating grants and contributions	9,172,146	8,321,177	724	1,684	9,172,870	8,322,861
Capital grants and contributions	1,474,153	1,151,165	26,874	113,906	1,501,027	1,265,071
General revenues:						
Property taxes	29,505,318	24,275,501	-	-	29,505,318	24,275,501
Other taxes	14,922,668	14,899,739	-	-	14,922,668	14,899,739
Grants and contributions not restricted to specific programs	36,700	80,904	130,723	126,615	167,423	207,519
Other	1,988,029	1,207,373	259,482	175,234	2,247,511	1,382,607
Total revenues	<u>62,588,271</u>	<u>55,295,634</u>	<u>6,928,341</u>	<u>6,713,258</u>	<u>69,516,612</u>	<u>62,008,892</u>
<b>Expenses:</b>						
General government	9,347,410	8,353,131	-	-	9,347,410	8,353,131
Public safety	19,371,440	16,621,624	-	-	19,371,440	16,621,624
Environmental protection	1,084,394	1,120,609	-	-	1,084,394	1,120,609
Economic and physical development	(1,482,575)	1,165,276	-	-	(1,482,575)	1,165,276
Human services	12,287,983	11,736,494	-	-	12,287,983	11,736,494
Cultural and recreation	1,674,354	1,526,662	-	-	1,674,354	1,526,662
Education	12,264,197	9,194,085	-	-	12,264,197	9,194,085
Interest and fees	28,192	37,550	-	-	28,192	37,550
Water and sewer	-	-	4,098,270	3,721,605	4,098,270	3,721,605
Solid waste	-	-	2,762,076	2,925,095	2,762,076	2,925,095
Total expenses	<u>54,575,395</u>	<u>49,755,431</u>	<u>6,860,346</u>	<u>6,646,700</u>	<u>61,435,741</u>	<u>56,402,131</u>
Change in net position before transfers	8,012,876	5,540,203	67,995	66,558	8,080,871	5,606,761
Transfers	(870,886)	(18,192)	870,886	18,192	-	-
Change in net position	<u>7,141,990</u>	<u>5,522,011</u>	<u>938,881</u>	<u>84,750</u>	<u>8,080,871</u>	<u>5,606,761</u>
<b>Net Position:</b>						
Beginning of year - July 1	27,225,079	19,176,393	19,101,676	19,016,926	46,326,755	38,193,319
Restatement	-	2,526,675	-	-	-	2,526,675
Beginning of year - July 1 Restated	<u>27,225,079</u>	<u>21,703,068</u>	<u>19,101,676</u>	<u>19,016,926</u>	<u>46,326,755</u>	<u>40,719,994</u>
End of year - June 30	<u>\$ 34,367,069</u>	<u>\$ 27,225,079</u>	<u>\$ 20,040,557</u>	<u>\$ 19,101,676</u>	<u>\$ 54,407,626</u>	<u>\$ 46,326,755</u>

**Governmental Activities.** Governmental activities increased the County's net position by \$7,141,990 thereby accounting for 88.38% of the total increase in the net position of Alexander County. Key elements of this increase are as follows:

- Adopting a property tax rate that was 10.50 cents higher than the revenue-neutral tax rate
- Increase in grant revenues
- Increase in sales tax revenues
- Increase in investment income

**Business-Type Activities.** Business-type activities increased Alexander County's net position by \$938,881, accounting for 11.62% 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 \$21,535,929, while total fund balance reached \$26,508,054. The County currently has an available fund balance of 40.22% of total General Fund expenditures and transfers out, while total fund balance represents 49.51% of that same amount.

At June 30, 2024, 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 \$233,380 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 \$6,957,388 in advances from grantor. The Opioid Settlement Fund is also a major special revenue fund. The proceeds to be received are expected to reduce the receivable over the next 15 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 \$3,085,679 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, 2024, the governmental funds of Alexander County reported a combined fund balance of \$39,858,084, a 17.84% 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. In addition, the fund balance in the Opioid Settlement Fund more than doubled after receiving the highest dollar amount of funds estimated for the County in a single fiscal year over the 17-year distribution period.

**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 \$476,000, which is 0.90% 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) decrease the budget for Medicaid hold harmless revenues due to a statewide drop in this revenue source, 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 social services, public health, and library 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. These items accounted for the primary difference between the originally adopted budget and the final budget.

**Proprietary Funds.** Alexander County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the major proprietary funds at the end of the fiscal year were as follows: County Water and Sewer Fund – \$10,905,309; Solid Waste Fund – (\$264,719) deficit; and Landfill Closure Fund – (\$2,771,392) deficit. The total increase in net position for these three major funds was \$938,881. 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, 2024 total \$45,268,441 (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
- Receipt of donated land from component unit (Alexander County Economic Development Corporation)
- Construction in progress for improvements to a County park
- Retirement of surplus vehicles from public safety operations
- Retirement of surplus equipment from public safety and general government operations
- Purchase of land for water tank project
- Purchase of landfill equipment

**Alexander County's Capital Assets**  
**Figure 4**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Land	\$ 6,007,959	\$ 3,925,709	\$ 537,519	\$ 240,573	\$ 6,545,478	\$ 4,166,282
Construction in progress	741,501	202,492	294,160	185,886	1,035,661	388,378
Buildings	23,225,962	23,085,059	651,404	651,404	23,877,366	23,736,463
Other improvements	1,875,855	1,567,127	263,584	263,584	2,139,439	1,830,711
Equipment and machinery	5,594,670	5,693,537	665,911	647,641	6,260,581	6,341,178
Vehicles	5,492,197	5,101,717	352,494	352,494	5,844,691	5,454,211
Infrastructure	-	-	38,693,492	38,693,492	38,693,492	38,693,492
Furniture and fixtures	183,318	104,022	-	-	183,318	104,022
Right-to-use lease assets	155,490	155,490	76,536	41,953	232,026	197,443
Subscription assets	850,891	775,618	-	-	850,891	775,618
	<u>44,127,843</u>	<u>40,610,771</u>	<u>41,535,100</u>	<u>41,077,027</u>	<u>85,662,943</u>	<u>81,687,798</u>
Less: accumulated depreciation and amortization	<u>(21,922,425)</u>	<u>(20,351,437)</u>	<u>(18,472,077)</u>	<u>(17,076,245)</u>	<u>(40,394,502)</u>	<u>(37,427,682)</u>
Total	<u>\$ 22,205,418</u>	<u>\$ 20,259,334</u>	<u>\$ 23,063,023</u>	<u>\$ 24,000,782</u>	<u>\$ 45,268,441</u>	<u>\$ 44,260,116</u>

Additional information on the County's capital assets can be found in Note 3A of the basic financial statements.

**Long-Term Debt.** As of June 30, 2024, Alexander County had total debt outstanding of \$12,533,193, 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**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Notes payable - direct placements and direct borrowings	\$ 1,317,000	\$ 1,996,000	\$ 10,833,423	\$ 11,277,188	\$ 12,150,423	\$ 13,273,188
Subscription liabilities	260,450	482,602	-	-	260,450	482,602
Lease liabilities	<u>64,079</u>	<u>96,738</u>	<u>58,241</u>	<u>22,350</u>	<u>122,320</u>	<u>119,088</u>
Total	<u>\$ 1,641,529</u>	<u>\$ 2,575,340</u>	<u>\$ 10,891,664</u>	<u>\$ 11,299,538</u>	<u>\$ 12,533,193</u>	<u>\$ 13,874,878</u>

Alexander County's total debt decreased by \$1,341,685 (9.67%) during the fiscal year due to timely debt service payments.

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 \$312,463,188.

Additional information regarding Alexander County's long-term debt can be found in Note 3B of this audited financial report.

### **Economic Factors and Fiscal Year End 2024 Budgets and Rates**

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

- During fiscal year 2024, the County's unemployment rate slightly increased. In June 2023, the rate was 3.2%. On June 30, 2024, the rate was 3.9% which was above the state average unemployment rate of 3.3%.
- Construction bids were received for the rehabilitation of County-owned property located at 16 West Main Avenue in Taylorsville, with a contract award expected in fall 2024. NC Department of Commerce has awarded Rural Transformation Grant Funds and Downtown Economic Development Grant Funds to supplement the cost of the project.
- The National Register nomination for the Downtown Taylorsville Historic District was submitted to the National Parks Service. Property owners of historic properties 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. The goal is to provide incentives for property owners to improve their historic real estate to be move-in ready for future businesses. The district's designation to the National Register of Historic Places is anticipated to happen in August 2024.
- Commercial Growth in small businesses in Alexander County during fiscal year 2024 witnessed a net gain of 23 new businesses creating 43 full-time and 28 part-time jobs with more than \$3.9 million in private investment. New businesses range from a Peruvian Restaurant in Bethlehem to an appliance store in Taylorsville. Small businesses are expanding in both the square footage of physical space and in the number of employees.

### **Budget Highlights for the Fiscal Year Ending June 30, 2025**

**Governmental Activities.** General Fund revenues, excluding transfers, are projected to decrease \$869,000 (1.59%) from 2024 amounts. This is primarily due to a two cent decrease in the property tax rate.

General Fund expenditures, excluding transfers and debt refunding, are projected to increase \$5,300,000 (11.21%) from 2024 amounts. The main factors for this include a 5% cost of living adjustment for employees, increases in retirement expense due to higher employer contribution rates, the addition of new employee positions, and capital outlay items.

Capital projects beginning or continuing in fiscal year 2025 include economic development initiatives and improvements to County parks.



**Business-Type Activities.** Budgeted expenditures in the Solid Waste Fund are projected to increase \$712,000 (31.79%) from 2024 amounts. The main factors for this include a \$450,000 capital outlay budget for the purchase of a new garbage truck and higher costs of waste disposal. The 5% cost of living adjustment and increases in retirement contributions for employees will also affect the Solid Waste Fund.

Water and sewer rates will increase 5.00% to cover increased operating costs passed on from the County's water supplier. Capital projects beginning or continuing in fiscal year 2025 include two water line extension projects, an elevated water tank project, a sewer pump station 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 ARP State Fiscal Recovery Fund grants, other federal and 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](http://www.alexandercountync.gov), or send an email to [jherman@alexandercountync.gov](mailto:jherman@alexandercountync.gov) for more information.

*This page left blank intentionally.*

**ALEXANDER COUNTY, NORTH CAROLINA**

**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Alexander County Economic Development Corporation	Alexander County ABC Board
<b>Assets:</b>					
Current assets:					
Cash and investments	\$ 34,308,755	\$ 11,994,500	\$ 46,303,255	\$ 56,729	\$ 159,720
Taxes receivable, net	1,370,535	-	1,370,535	-	-
Accounts receivable, net	2,127,871	657,279	2,785,150	-	-
Inventories	-	-	-	-	226,181
Due from other governments	4,528,738	60,780	4,589,518	-	-
Internal balances	57,580	(57,580)	-	-	-
Prepaid items	10,828	-	10,828	-	-
Cash and investments, restricted	10,436,734	-	10,436,734	-	-
Non-current assets:					
Accounts receivable, net	3,689,673	-	3,689,673	-	-
Net pension asset	35,319	-	35,319	-	-
Capital assets:					
Land and other non-depreciable assets	6,749,460	831,679	7,581,139	-	19,313
Depreciable assets, net of depreciation and amortization	15,455,958	22,231,344	37,687,302	9,958	10,852
Capital assets, net	<u>22,205,418</u>	<u>23,063,023</u>	<u>45,268,441</u>	<u>9,958</u>	<u>30,165</u>
Total assets	<u>78,771,451</u>	<u>35,718,002</u>	<u>114,489,453</u>	<u>66,687</u>	<u>416,066</u>
<b>Deferred Outflows of Resources:</b>					
OPEB deferrals	1,063,182	17,586	1,080,768	-	-
Pension deferrals	8,943,811	161,780	9,105,591	-	-
Total deferred outflows of resources	<u>10,006,993</u>	<u>179,366</u>	<u>10,186,359</u>	<u>-</u>	<u>-</u>
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable and accrued liabilities	2,689,176	137,559	2,826,735	12,365	124,677
Miscellaneous liabilities	978,449	-	978,449	-	81,683
Advances from grantor	7,805,185	-	7,805,185	-	-
Liabilities payable from restricted assets	3,033	-	3,033	-	-
Accrued interest	9,804	15,461	25,265	-	-
Current portion of compensated absences	1,137,000	8,600	1,145,600	-	-
Current portion of long-term debt	826,945	873,334	1,700,279	-	20,555
Total current liabilities	<u>13,449,592</u>	<u>1,034,954</u>	<u>14,484,546</u>	<u>12,365</u>	<u>226,915</u>
Non-current liabilities:					
Net pension liability - LGERS	13,707,217	239,746	13,946,963	-	-
Total pension liability - LEOSA	1,372,851	-	1,372,851	-	-
Accrued landfill post-closure care costs	-	4,015,250	4,015,250	-	-
Non-current compensated absences	732,934	10,860	743,794	-	-
Total OPEB liability	20,540,292	359,476	20,899,768	-	-
Non-current portion of long-term debt	814,584	10,018,330	10,832,914	-	-
Total non-current liabilities	<u>37,167,878</u>	<u>14,643,662</u>	<u>51,811,540</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>50,617,470</u>	<u>15,678,616</u>	<u>66,296,086</u>	<u>12,365</u>	<u>226,915</u>

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

ALEXANDER COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2024

	Primary Government			Component Units	
	Governmental	Business-Type	Total	Alexander County	Alexander
	Activities	Activities		Economic	County
				Development	ABC
				Corporation	Board
<b>Deferred Inflows of Resources:</b>					
OPEB deferrals	3,396,107	169,290	3,565,397	-	-
Pension deferrals	346,040	8,905	354,945	-	-
Prepaid taxes	51,758	-	51,758	-	-
Total deferred inflows of resources	3,793,905	178,195	3,972,100	-	-
<b>Net Position:</b>					
Net investment in capital assets	20,563,889	12,171,359	32,735,248	-	10,852
Restricted for:					
Stabilization by state statute	6,642,195	-	6,642,195	-	-
Register of Deeds	26,751	-	26,751	-	-
Register of Deeds' pension plan	35,319	-	35,319	-	-
Public safety	1,854,737	-	1,854,737	-	-
General government	96,905	-	96,905	-	-
Human services	670,475	-	670,475	-	-
Economic and physical development	41,752	-	41,752	-	-
Education	3,474,000	-	3,474,000	-	-
Working capital	-	-	-	-	41,505
Unrestricted	961,046	7,869,198	8,830,244	54,322	136,794
Total net position	\$ 34,367,069	\$ 20,040,557	\$ 54,407,626	\$ 54,322	\$ 189,151

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

*This page left blank intentionally.*

ALEXANDER COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Functions/Programs:</b>				
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 9,347,410	\$ 765,617	\$ 23,857	\$ 839,153
Public safety	19,371,440	2,830,871	185,479	-
Environmental protection	1,084,394	28,651	49,237	335,000
Economic and physical development	(1,482,575)	218,267	47,669	300,000
Human services	12,287,983	1,431,722	5,584,496	-
Cultural and recreation	1,674,354	107,040	114,594	-
Education	12,264,197	107,089	3,166,814	-
Interest and fees	28,192	-	-	-
Total governmental activities	<u>54,575,395</u>	<u>5,489,257</u>	<u>9,172,146</u>	<u>1,474,153</u>
<b>Business-Type Activities:</b>				
Water and sewer	4,098,270	4,395,211	-	26,874
Solid waste	2,762,076	2,115,327	724	-
Total business-type activities	<u>6,860,346</u>	<u>6,510,538</u>	<u>724</u>	<u>26,874</u>
Total primary government	<u>\$ 61,435,741</u>	<u>\$ 11,999,795</u>	<u>\$ 9,172,870</u>	<u>\$ 1,501,027</u>
<b>Component Units:</b>				
Alexander County				
Economic Development Corporation	\$ 185,201	\$ -	\$ 150,000	\$ 8,300
ABC Board	1,368,351	1,399,816	-	-
Total component units	<u>\$ 1,553,552</u>	<u>\$ 1,399,816</u>	<u>\$ 150,000</u>	<u>\$ 8,300</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, 2024

	<u>Net (Expense) Revenue and Changes in Net Position</u>			<u>Component Units</u>	
	<u>Primary Government</u>			<u>Alexander County</u>	<u>Alexander</u>
	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>	<u>Economic</u>	<u>County</u>
	<u>Activities</u>	<u>Activities</u>		<u>Development</u>	<u>ABC</u>
				<u>Corporation</u>	<u>Board</u>
<b>Functions/Programs:</b>					
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
General government	\$ (7,718,783)	\$ -	\$ (7,718,783)		
Public safety	(16,355,090)	-	(16,355,090)		
Environmental protection	(671,506)	-	(671,506)		
Economic and physical development	2,048,511	-	2,048,511		
Human services	(5,271,765)	-	(5,271,765)		
Cultural and recreation	(1,452,720)	-	(1,452,720)		
Education	(8,990,294)	-	(8,990,294)		
Interest and fees	(28,192)	-	(28,192)		
Total governmental activities	<u>(38,439,839)</u>	<u>-</u>	<u>(38,439,839)</u>		
<b>Business-Type Activities:</b>					
Water and sewer	-	323,815	323,815		
Solid waste	-	(646,025)	(646,025)		
Total business-type activities	<u>-</u>	<u>(322,210)</u>	<u>(322,210)</u>		
Total primary government	<u>(38,439,839)</u>	<u>(322,210)</u>	<u>(38,762,049)</u>		
<b>Component Units:</b>					
Alexander County					
Economic Development Corporation				\$ (26,901)	\$ -
ABC Board				-	31,465
Total component units				<u>(26,901)</u>	<u>31,465</u>
<b>General Revenues:</b>					
Ad valorem taxes	29,505,318	-	29,505,318	-	-
Local option sales taxes	14,523,578	-	14,523,578	-	-
Other taxes and licenses	399,090	-	399,090	-	-
Unrestricted intergovernmental revenues	36,700	130,723	167,423	-	-
Investment earnings, unrestricted	<u>1,988,029</u>	<u>259,482</u>	<u>2,247,511</u>	<u>67</u>	<u>-</u>
Total general revenues,					
excluding transfers	46,452,715	390,205	46,842,920	67	-
Transfers	<u>(870,886)</u>	<u>870,886</u>	<u>-</u>	<u>(2,218,692)</u>	<u>-</u>
Total general revenues and transfers	<u>45,581,829</u>	<u>1,261,091</u>	<u>46,842,920</u>	<u>(2,218,625)</u>	<u>-</u>
Change in net position	7,141,990	938,881	8,080,871	(2,245,526)	31,465
<b>Net Position:</b>					
Beginning of year - July 1	<u>27,225,079</u>	<u>19,101,676</u>	<u>46,326,755</u>	<u>2,299,848</u>	<u>157,686</u>
End of year - June 30	<u>\$ 34,367,069</u>	<u>\$ 20,040,557</u>	<u>\$ 54,407,626</u>	<u>\$ 54,322</u>	<u>\$ 189,151</u>

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

ALEXANDER COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2024

	Major					Total
	General Fund	American Rescue Plan Act Fund	Opioid Settlement Fund	Capital Improvements Fund	Other Governmental Funds	
<b>Assets:</b>						
Cash and investments	\$ 22,115,026	\$ 55,505	\$ -	\$ 9,795,693	\$ 2,342,531	\$ 34,308,755
Taxes receivable, net	1,269,121	-	-	-	101,414	1,370,535
Accounts receivable, net	477,728	-	3,689,673	1,650,143	-	5,817,544
Due from other governments	4,456,123	-	-	-	72,615	4,528,738
Due from other funds	67,014	-	-	3,393	-	70,407
Prepaid items	10,828	-	-	-	-	10,828
Restricted assets:						
Cash and investments, restricted	1,094,080	6,957,388	1,202,570	-	1,182,696	10,436,734
Total assets	<u>\$ 29,489,920</u>	<u>\$ 7,012,893</u>	<u>\$ 4,892,243</u>	<u>\$ 11,449,229</u>	<u>\$ 3,699,256</u>	<u>\$ 56,543,541</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 541,780	\$ -	\$ -	\$ 1,967,914	\$ 179,482	\$ 2,689,176
Due to other funds	3,393	3,200	-	-	6,234	12,827
Miscellaneous liabilities	978,449	-	-	-	-	978,449
Advances from grantor	97,797	6,957,388	-	-	750,000	7,805,185
Liabilities payable from restricted assets:						
Payables	-	-	2,068	-	965	3,033
Total liabilities	<u>\$ 1,621,419</u>	<u>\$ 6,960,588</u>	<u>\$ 2,068</u>	<u>\$ 1,967,914</u>	<u>\$ 936,681</u>	<u>\$ 11,488,670</u>
<b>Deferred Inflows of Resources:</b>						
Taxes receivable	1,269,121	-	-	-	101,414	1,370,535
Unavailable revenues	-	-	3,689,673	-	45,253	3,734,926
Health Department receivables	39,568	-	-	-	-	39,568
Prepaid taxes	51,758	-	-	-	-	51,758
Total deferred inflows of resources	<u>1,360,447</u>	<u>-</u>	<u>3,689,673</u>	<u>-</u>	<u>146,667</u>	<u>5,196,787</u>
<b>Fund Balances:</b>						
Non-spendable:						
Prepaid items	10,828	-	-	-	-	10,828
Restricted:						
Stabilization by state statute	4,961,297	-	-	1,653,536	27,362	6,642,195
Restricted, all other	1,042,418	-	1,200,502	3,474,000	447,700	6,164,620
Committed	-	52,305	-	4,353,779	2,159,517	6,565,601
Assigned	2,773,373	-	-	-	-	2,773,373
Unassigned	17,720,138	-	-	-	(18,671)	17,701,467
Total fund balances	<u>26,508,054</u>	<u>52,305</u>	<u>1,200,502</u>	<u>9,481,315</u>	<u>2,615,908</u>	<u>39,858,084</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 29,489,920</u>	<u>\$ 7,012,893</u>	<u>\$ 4,892,243</u>	<u>\$ 11,449,229</u>	<u>\$ 3,699,256</u>	<u>\$ 56,543,541</u>

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



ALEXANDER COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2024

	<u>Total</u>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:	
Total fund balances	\$ 39,858,084
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	22,205,418
Net pension asset (ROD)	35,319
Net pension liability (LGERS)	(13,707,217)
OPEB liability	(20,540,292)
Total pension liability (LEOSSA)	(1,372,851)
Deferred inflows of resources related to pensions are not reported in the funds.	
ROD	(3,386)
LGERS	(197,137)
LEOSSA	(145,517)
Deferred inflows of resources related to OPEB are not reported in the funds.	(3,396,107)
Deferred outflows of resources related to pensions are not reported in the funds.	
ROD	20,397
LGERS	8,591,158
LEOSSA	332,256
Deferred outflows of resources related to OPEB are not reported in the funds.	1,063,182
Long-term liabilities, accrued interest, and compensated absences are not due and payable in the current period and, therefore, not reported in the funds.	(3,521,267)
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>5,145,029</u>
Net position of governmental activities	<u>\$ 34,367,069</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, 2024

	Major					Total
	General Fund	American Rescue Plan Act Fund	Opioid Settlement Fund	Capital Improvements Fund	Other Governmental Funds	
<b>Revenues:</b>						
Ad valorem taxes	\$ 26,922,301	\$ -	\$ -	\$ -	\$ 2,282,232	\$ 29,204,533
Local option sales taxes	14,523,578	-	-	-	-	14,523,578
Other taxes and licenses	300,669	-	-	-	98,421	399,090
Unrestricted intergovernmental revenues	36,700	-	-	-	-	36,700
Restricted intergovernmental revenues	5,857,031	81,401	901,628	3,166,814	1,404,387	11,411,261
Permits and fees	1,482,546	-	-	-	-	1,482,546
Sales and services	3,786,602	-	-	-	-	3,786,602
Interest earned on investments	1,484,001	28,225	41,833	411,306	22,664	1,988,029
Miscellaneous	236,099	-	-	-	-	236,099
Total revenues	<u>54,629,527</u>	<u>109,626</u>	<u>943,461</u>	<u>3,578,120</u>	<u>3,807,704</u>	<u>63,068,438</u>
<b>Expenditures:</b>						
General government	8,299,074	-	-	-	483,820	8,782,894
Public safety	15,931,313	-	181,777	-	2,349,517	18,462,607
Environmental protection	759,623	-	-	-	335,069	1,094,692
Economic and physical development	564,508	-	-	-	26,322	590,830
Human services	11,943,042	-	-	-	-	11,943,042
Cultural and recreation	1,476,490	-	-	-	773,463	2,249,953
Education	7,635,001	-	-	4,438,856	-	12,073,857
Debt service:						
Principal repayments	1,016,391	-	-	-	-	1,016,391
Interest	32,879	-	-	-	-	32,879
Total expenditures	<u>47,658,321</u>	<u>-</u>	<u>181,777</u>	<u>4,438,856</u>	<u>3,968,191</u>	<u>56,247,145</u>
Revenues over (under) expenditures	<u>6,971,206</u>	<u>109,626</u>	<u>761,684</u>	<u>(860,736)</u>	<u>(160,487)</u>	<u>6,821,293</u>
<b>Other Financing Sources (Uses):</b>						
Transfers in	329,375	-	-	3,085,679	2,392,056	5,807,110
Transfers (out)	(5,881,723)	(81,400)	-	-	(714,873)	(6,677,996)
Subscriptions issued	82,580	-	-	-	-	82,580
Total other financing sources (uses)	<u>(5,469,768)</u>	<u>(81,400)</u>	<u>-</u>	<u>3,085,679</u>	<u>1,677,183</u>	<u>(788,306)</u>
Net change in fund balances	1,501,438	28,226	761,684	2,224,943	1,516,696	6,032,987
<b>Fund Balances:</b>						
Beginning of year - July 1	<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>
End of year - June 30	<u>\$ 26,508,054</u>	<u>\$ 52,305</u>	<u>\$ 1,200,502</u>	<u>\$ 9,481,315</u>	<u>\$ 2,615,908</u>	<u>\$ 39,858,084</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, 2024**

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)	\$ 6,032,987
Property tax revenues in the Statement of Activities earned in prior periods are reported as revenues in the governmental funds statement.	300,785
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.	(15,990)
Grant revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.	(764,962)
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	(122,053)
Pension expense - LGERS	(1,757,065)
Pension expense - ROD	(3,539)
Pension expense - LEOSSA	(112,417)
Other post-employment benefits	699,662
Expenses related to accrued interest that do not require current financial resources are not reported as expenditures in the governmental funds statement.	4,687
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.	4,190,062
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.	(2,243,978)
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.	1,016,391
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>(82,580)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 7,141,990</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, 2024**

	<b>General Fund</b>			<b>Variance with Final Budget Over/Under</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Ad valorem taxes	\$ 26,625,672	\$ 26,625,672	\$ 26,922,301	\$ 296,629
Local option sales taxes	14,905,000	14,330,000	14,523,578	193,578
Other taxes and licenses	298,000	298,000	300,669	2,669
Unrestricted intergovernmental revenues	40,000	40,000	36,700	(3,300)
Restricted intergovernmental revenues	5,333,778	5,748,750	5,857,031	108,281
Permits and fees	1,250,876	1,250,876	1,482,546	231,670
Sales and services	3,645,920	3,645,920	3,786,602	140,682
Investment earnings	750,000	1,230,000	1,484,001	254,001
Miscellaneous	300,860	331,016	236,099	(94,917)
Total revenues	<u>53,150,106</u>	<u>53,500,234</u>	<u>54,629,527</u>	<u>1,129,293</u>
<b>Expenditures:</b>				
General government	9,303,985	9,076,083	8,299,074	777,009
Public safety	16,511,467	17,105,682	15,931,313	1,174,369
Environmental protection	842,947	848,854	759,623	89,231
Economic and physical development	538,687	580,195	564,508	15,687
Human services	13,661,874	13,666,234	11,943,042	1,723,192
Cultural and recreation	1,503,419	1,644,980	1,476,490	168,490
Education	7,672,428	7,678,428	7,635,001	43,427
Debt service:				
Principal retirement	682,000	1,020,129	1,016,391	3,738
Interest and fees	22,000	33,579	32,879	700
Contingency	300,000	165,500	-	165,500
Total expenditures	<u>51,038,807</u>	<u>51,819,664</u>	<u>47,658,321</u>	<u>4,161,343</u>
Revenues over (under) expenditures	<u>2,111,299</u>	<u>1,680,570</u>	<u>6,971,206</u>	<u>5,290,636</u>
<b>Other Financing Sources (Uses):</b>				
Lease liabilities issued	-	41,000	-	(41,000)
Subscriptions issued	-	85,000	82,580	(2,420)
Transfers in	-	329,375	329,375	-
Transfers out	(4,932,125)	(6,114,557)	(5,881,723)	232,834
Appropriated fund balance	2,820,826	3,978,612	-	(3,978,612)
Total other financing sources (uses)	<u>(2,111,299)</u>	<u>(1,680,570)</u>	<u>(5,469,768)</u>	<u>(3,789,198)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,501,438	<u>\$ 1,501,438</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>25,006,616</u>	
End of year - June 30			<u>\$ 26,508,054</u>	

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, 2024**

	<u>Opioid Settlement Fund</u>			<b>Variance with Final Budget Over/Under</b>
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Opioid settlement funds	\$ -	\$ 202,000	\$ 901,628	\$ 699,628
Investment earnings	-	-	41,833	41,833
Total revenues	<u>-</u>	<u>202,000</u>	<u>943,461</u>	<u>741,461</u>
<b>Expenditures:</b>				
Public safety	-	212,000	181,777	30,223
Revenues over (under) expenditures	-	(10,000)	761,684	771,684
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	-	10,000	-	(10,000)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	761,684	<u>\$ 761,684</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>438,818</u>	
End of year - June 30			<u>\$ 1,200,502</u>	

ALEXANDER COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2024

	Enterprise Funds		
	County Water and Sewer Fund	Bethlehem Water District Fund	Solid Waste Fund
<b>Assets:</b>			
Current assets:			
Cash and investments	\$ 10,445,185	\$ -	\$ 301,857
Accounts receivable, net	522,800	-	134,479
Due from other governments	60,780	-	-
Due from other funds	3,200	-	-
Total current assets	<u>11,031,965</u>	<u>-</u>	<u>436,336</u>
Non-current assets:			
Land and other non-depreciable assets	410,660	-	421,019
Depreciable assets, net	21,630,012	-	601,332
Total non-current assets	<u>22,040,672</u>	<u>-</u>	<u>1,022,351</u>
Total assets	<u>33,072,637</u>	<u>-</u>	<u>1,458,687</u>
<b>Deferred Outflows of Resources:</b>			
OPEB deferrals	-	-	17,586
Pension deferrals	-	-	161,780
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>179,366</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable and accrued liabilities	51,709	-	82,250
Due to other funds	60,780	-	-
Accrued interest	14,167	-	1,294
Current portion of long-term debt	862,925	-	10,409
Current portion of compensated absences	-	-	8,600
Total current liabilities	<u>989,581</u>	<u>-</u>	<u>102,553</u>
Non-current liabilities:			
Net pension liability	-	-	239,746
Non-current accrued landfill post-closure care costs	-	-	-
Non-current compensated absences	-	-	10,860
Total OPEB liability	-	-	359,476
Non-current portion of long-term debt	9,970,498	-	47,832
Total non-current liabilities	<u>9,970,498</u>	<u>-</u>	<u>657,914</u>
Total liabilities	<u>10,960,079</u>	<u>-</u>	<u>760,467</u>
<b>Deferred Inflows of Resources:</b>			
OPEB deferrals	-	-	169,290
Pension deferrals	-	-	8,905
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>178,195</u>
<b>Net Position:</b>			
Net investment in capital assets	11,207,249	-	964,110
Unrestricted	10,905,309	-	(264,719)
Total net position	<u>\$ 22,112,558</u>	<u>\$ -</u>	<u>\$ 699,391</u>

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

ALEXANDER COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2024

	Enterprise Funds		
	Landfill Closure Fund	Bethlehem Sewer Fund	Total
<b>Assets:</b>			
Current assets:			
Cash and investments	\$ 1,247,458	\$ -	\$ 11,994,500
Accounts receivable, net	-	-	657,279
Due from other governments	-	-	60,780
Due from other funds	-	-	3,200
Total current assets	<u>1,247,458</u>	<u>-</u>	<u>12,715,759</u>
Non-current assets:			
Land and other non-depreciable assets	-	-	831,679
Depreciable assets, net	-	-	22,231,344
Total non-current assets	<u>-</u>	<u>-</u>	<u>23,063,023</u>
Total assets	<u>1,247,458</u>	<u>-</u>	<u>35,778,782</u>
<b>Deferred Outflows of Resources:</b>			
OPEB deferrals	-	-	17,586
Pension deferrals	-	-	161,780
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>179,366</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable and accrued liabilities	3,600	-	137,559
Due to other funds	-	-	60,780
Accrued interest	-	-	15,461
Current portion of long-term debt	-	-	873,334
Current portion of compensated absences	-	-	8,600
Total current liabilities	<u>3,600</u>	<u>-</u>	<u>1,095,734</u>
Non-current liabilities:			
Net pension liability	-	-	239,746
Non-current accrued landfill post-closure care costs	4,015,250	-	4,015,250
Non-current compensated absences	-	-	10,860
Total OPEB liability	-	-	359,476
Non-current portion of long-term debt	-	-	10,018,330
Total non-current liabilities	<u>4,015,250</u>	<u>-</u>	<u>14,643,662</u>
Total liabilities	<u>4,018,850</u>	<u>-</u>	<u>15,739,396</u>
<b>Deferred Inflows of Resources:</b>			
OPEB deferrals	-	-	169,290
Pension deferrals	-	-	8,905
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>178,195</u>
<b>Net Position:</b>			
Net investment in capital assets	-	-	12,171,359
Unrestricted	(2,771,392)	-	7,869,198
Total net position	<u>\$ (2,771,392)</u>	<u>\$ -</u>	<u>\$ 20,040,557</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, 2024**

	<b>Enterprise Funds</b>		
	<b>County Water and Sewer Fund</b>	<b>Bethlehem Water District Fund</b>	<b>Solid Waste Fund</b>
<b>Operating Revenues:</b>			
Water and sewer sales	\$ 4,395,211	\$ -	\$ -
Convenience centers	-	-	279,100
Landfill	-	-	1,831,931
Total operating revenues	<u>4,395,211</u>	<u>-</u>	<u>2,111,031</u>
<b>Operating Expenses:</b>			
Convenience centers	-	-	231,312
Water and sewer operations	2,578,715	-	-
Landfill operations	-	-	1,915,218
Depreciation and amortization	1,426,524	-	89,666
Total operating expenses	<u>4,005,239</u>	<u>-</u>	<u>2,236,196</u>
Operating income (loss)	<u>389,972</u>	<u>-</u>	<u>(125,165)</u>
<b>Non-Operating Revenues (Expenses):</b>			
Investment earnings	258,222	-	-
Intergovernmental revenues	-	-	130,723
Grant revenue	-	-	724
Interest and fees paid	(93,031)	-	(1,121)
Miscellaneous revenues	4,296	-	-
Total non-operating revenues (expenses)	<u>169,487</u>	<u>-</u>	<u>130,326</u>
Income (loss) before contributions and transfers	559,459	-	5,161
Capital contributions	<u>26,874</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers	<u>586,333</u>	<u>-</u>	<u>5,161</u>
<b>Transfers:</b>			
Transfer from other funds	10,162,979	-	67,000
Transfer to other funds	-	(7,777,776)	-
Total transfers	<u>10,162,979</u>	<u>(7,777,776)</u>	<u>67,000</u>
Change in net position	10,749,312	(7,777,776)	72,161
<b>Net Position:</b>			
Beginning of year - July 1	<u>11,363,246</u>	<u>7,777,776</u>	<u>627,230</u>
End of year - June 30	<u>\$ 22,112,558</u>	<u>\$ -</u>	<u>\$ 699,391</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, 2024**

	<b>Enterprise Funds</b>		
	<b>Landfill</b>	<b>Bethlehem</b>	<b>Total</b>
	<b>Closure Fund</b>	<b>Sewer Fund</b>	
<b>Operating Revenues:</b>			
Water and sewer sales	\$ -	\$ -	\$ 4,395,211
Convenience centers	-	-	279,100
Landfill	-	-	1,831,931
Total operating revenues	<u>-</u>	<u>-</u>	<u>6,506,242</u>
<b>Operating Expenses:</b>			
Convenience centers	-	-	231,312
Water and sewer operations	-	-	2,578,715
Landfill operations	524,759	-	2,439,977
Depreciation and amortization	-	-	1,516,190
Total operating expenses	<u>524,759</u>	<u>-</u>	<u>6,766,194</u>
Operating income (loss)	<u>(524,759)</u>	<u>-</u>	<u>(259,952)</u>
<b>Non-Operating Revenues (Expenses):</b>			
Investment earnings	1,260	-	259,482
Intergovernmental revenues	-	-	130,723
Grant revenue	-	-	724
Interest and fees paid	-	-	(94,152)
Miscellaneous revenues	-	-	4,296
Total non-operating revenues (expenses)	<u>1,260</u>	<u>-</u>	<u>301,073</u>
Income (loss) before contributions and transfers	<u>(523,499)</u>	<u>-</u>	<u>41,121</u>
Capital contributions	<u>-</u>	<u>-</u>	<u>26,874</u>
Income (loss) before transfers	<u>(523,499)</u>	<u>-</u>	<u>67,995</u>
<b>Transfers:</b>			
Transfer from other funds	150,000	-	10,379,979
Transfer to other funds	<u>-</u>	<u>(1,731,317)</u>	<u>(9,509,093)</u>
Total transfers	<u>150,000</u>	<u>(1,731,317)</u>	<u>870,886</u>
Change in net position	<u>(373,499)</u>	<u>(1,731,317)</u>	<u>938,881</u>
<b>Net Position:</b>			
Beginning of year - July 1	<u>(2,397,893)</u>	<u>1,731,317</u>	<u>19,101,676</u>
End of year - June 30	<u>\$ (2,771,392)</u>	<u>\$ -</u>	<u>\$ 20,040,557</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, 2024

	Enterprise Funds		
	County Water and Sewer Fund	Bethlehem Water District Fund	Solid Waste Fund
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers	\$ 4,114,545	\$ 209,212	\$ 2,091,771
Cash paid for goods and services	(2,574,842)	(27,000)	(1,737,616)
Cash paid to employees for services	-	-	(449,899)
Net cash provided (used) by operating activities	<u>1,539,703</u>	<u>182,212</u>	<u>(95,744)</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Other non-operating revenues (expenses)	(22,578)	-	187,790
Change in due to/from other funds	28,733	-	-
Interfund transfer in (out), net	5,890,070	(7,777,776)	67,000
Net cash provided (used) by non-capital financing activities	<u>5,896,225</u>	<u>(7,777,776)</u>	<u>254,790</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(115,374)	2,785,883	(364,103)
Principal paid on bonds, notes payable, and leases	(862,925)	-	(24,202)
Issuance of long-term debt	419,160	-	60,093
Interest and fees paid on debt	(88,988)	-	(166)
Interfund transfer in (out), net	82,800	-	-
Capital contributions	275,728	-	-
Net cash provided (used) by capital and related financing activities	<u>(289,599)</u>	<u>2,785,883</u>	<u>(328,378)</u>
<b>Cash Flows from Investing Activities:</b>			
Interest on investments	258,222	-	-
Net increase (decrease) in cash and cash equivalents	7,404,551	(4,809,681)	(169,332)
<b>Cash and Cash Equivalents:</b>			
Beginning of year - July 1	<u>3,040,634</u>	<u>4,809,681</u>	<u>471,189</u>
End of year - June 30	<u>\$ 10,445,185</u>	<u>\$ -</u>	<u>\$ 301,857</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 389,972	\$ -	\$ (125,165)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	1,426,524	-	89,666
(Increase) decrease in accounts receivable	(280,666)	209,212	(19,260)
(Increase) decrease deferred outflows - pension	-	-	(30,811)
Increase (decrease) in net pension liability	-	-	69,202
Increase (decrease) deferred inflows - pension	-	-	(2,533)
Increase (decrease) in accounts payable	3,873	(27,000)	(39,490)
Increase (decrease) in accrued salaries	-	-	193
(Increase) decrease deferred outflows - OPEB	-	-	24,255
Increase (decrease) deferred inflows - OPEB	-	-	(39,118)
Increase (decrease) in other post-employment benefits	-	-	(22,732)
Increase (decrease) in landfill post-closure liability	-	-	-
Increase (decrease) in accrued vacation pay	-	-	49
Net cash provided (used) by operating activities	<u>\$ 1,539,703</u>	<u>\$ 182,212</u>	<u>\$ (95,744)</u>
<b>Non-Cash Transactions:</b>			
Non-cash transfers of capital assets	<u>\$ 8,305,525</u>	<u>\$ (2,785,883)</u>	<u>\$ -</u>
Non cash transfers of debt	<u>\$ (4,479,370)</u>	<u>\$ -</u>	<u>\$ -</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, 2024

	Enterprise Funds		
	Landfill Closure Fund	Bethlehem	Total
		Sewer Fund	
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers	\$ -	\$ 38,336	\$ 6,453,864
Cash paid for goods and services	(75,269)	-	(4,414,727)
Cash paid to employees for services	-	-	(449,899)
Net cash provided (used) by operating activities	<u>(75,269)</u>	<u>38,336</u>	<u>1,589,238</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Other non-operating revenues (expenses)	-	-	165,212
Change in due to/from other funds	-	-	28,733
Interfund transfer in (out), net	150,000	(1,731,317)	(3,402,023)
Net cash provided (used) by non-capital financing activities	<u>150,000</u>	<u>(1,731,317)</u>	<u>(3,208,078)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	-	-	2,306,406
Principal paid on bonds, notes payable, and leases	-	-	(887,127)
Issuance of long-term debt	-	-	479,253
Interest and fees paid on debt	-	-	(89,154)
Interfund transfer in (out), net	-	-	82,800
Capital contributions	-	1,034,300	1,310,028
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>1,034,300</u>	<u>3,202,206</u>
<b>Cash Flows from Investing Activities:</b>			
Interest on investments	1,260	-	259,482
Net increase (decrease) in cash and cash equivalents	<u>75,991</u>	<u>(658,681)</u>	<u>1,842,848</u>
<b>Cash and Cash Equivalents:</b>			
Beginning of year - July 1	<u>1,171,467</u>	<u>658,681</u>	<u>10,151,652</u>
End of year - June 30	<u>\$ 1,247,458</u>	<u>\$ -</u>	<u>\$ 11,994,500</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ (524,759)	\$ -	\$ (259,952)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	-	-	1,516,190
(Increase) decrease in accounts receivable	-	38,336	(52,378)
(Increase) decrease deferred outflows - pension	-	-	(30,811)
Increase (decrease) in net pension liability	-	-	69,202
Increase (decrease) deferred inflows - pension	-	-	(2,533)
Increase (decrease) in accounts payable	(1,860)	-	(64,477)
Increase (decrease) in accrued salaries	-	-	193
(Increase) decrease deferred outflows - OPEB	-	-	24,255
Increase (decrease) deferred inflows - OPEB	-	-	(39,118)
Increase (decrease) in other post-employment benefits	-	-	(22,732)
Increase (decrease) in landfill post-closure liability	451,350	-	451,350
Increase (decrease) in accrued vacation pay	-	-	49
Net cash provided (used) by operating activities	<u>\$ (75,269)</u>	<u>\$ 38,336</u>	<u>\$ 1,589,238</u>
<b>Non-Cash Transactions:</b>			
Non-cash transfers of capital assets	<u>\$ -</u>	<u>\$ (5,519,642)</u>	<u>\$ -</u>
Non cash transfers of debt	<u>\$ -</u>	<u>\$ 4,479,370</u>	<u>\$ -</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, 2024

	<u>Custodial Funds</u>
<b>Assets:</b>	
Cash and cash equivalents	\$ 17,033
Taxes receivable for other governments, net	<u>25,800</u>
Total assets	<u>42,833</u>
<b>Liabilities:</b>	
Accounts payable	7,449
Due to other governments	<u>10,533</u>
Total liabilities	<u>17,982</u>
<b>Net Position:</b>	
Restricted for:	
Individuals, organizations, and other governments	<u>\$ 24,851</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, 2024

	<u>Custodial Funds</u>
<b>Additions:</b>	
Property taxes collected for other governments	\$ 916,965
Collections on behalf of individuals/organizations	<u>237,650</u>
Total additions	<u>1,154,615</u>
<b>Deductions:</b>	
Property taxes distributed to other governments	922,621
Payments on behalf of individuals/organizations	<u>237,826</u>
Total deductions	<u>1,160,447</u>
Net increase (decrease) in fiduciary net position	(5,832)
Net position, beginning	<u>30,683</u>
Net position, ending	<u>\$ 24,851</u>

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

*This page left blank intentionally.*

# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### 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 James Pearson 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, 2024

### 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, 2024

**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, 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 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, 2024

*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, Soil and Water State Emergency Disaster Funds – Stream Debris Removal, Paragon Films Rail Infrastructure Project, Soil & Water Streamflow Rehab Assistance Program (StRAP), 2022 State Appropriation Act Grant Fund, Hancock & Moore Building Reuse Project funds, and 2021 CDBG Neighborhood Revitalization Program.

*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, 16 West Main Avenue Downtown Revitalization Project Fund, and 2023 State Appropriation Act Grant 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, 2024

*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, Soil and Water State Emergency Disaster Funds – Stream Debris Removal, Soil & Water Streamflow Rehab Assistance Program (StRAP), 2022 State Appropriations Act – Directed Grants to Local Governments, Paragon Films Rail Infrastructure Project, 2021 CDBG Neighborhood Revitalization Program, and Hancock &

# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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.

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).

# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The North Carolina Capital Management Trust (NCCMT) Government Portfolio is as SEC-registered money market mutual fund that is certified by the Local Government Commission under the provisions of G.S. 159-30(c)(8) and the North Carolina Administrative Code. The Government Portfolio is a 2a-7 fund that invests in treasuries, government agencies, and repurchase agreements collateralized by treasuries. It is rate AAAM by S&P and AAAMf by Moody Investor Services and is reported at fair value.

### Cash and Cash Equivalents

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

### 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, 2022 State Appropriations Act Grant funds, and 2023 State Appropriation Act Grant Fund 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>
<b>Governmental Activities:</b>			
<i>General Fund:</i>			
Public safety	Sheriff/substance abuse	\$ 207,227	
Human services	Adoption services	91,009	
Human services	Public Health services	275,571	
Human services	DSS Child Welfare Funds	284,511	
Economic and physical development	Cooperative extension services	41,752	
General government	PEG Channel	96,213	
General government	Unspent grant proceeds	97,797	
Total General Fund			\$ 1,094,080
 <i>Other governmental funds:</i>			
Revaluation Fund	Tax revaluation	\$ 431,828	
American Rescue Plan Act Fund	Unspent grant proceeds	6,957,388	
2022 State Appropriation Act Grant Fund	Unspent grant proceeds	692	
2023 State Appropriation Act Grant Fund	Unspent grant proceeds	750,176	
Opioid Settlement Fund	Unspent opioid settlement proceeds	1,202,570	
Total other governmental funds			<u>9,342,654</u>
Total governmental activities			<u>\$ 10,436,734</u>

# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### **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, 2023.

### **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, 2024

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, 2024

### **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, 2024

The County received \$425,822 in previous years and \$901,628 during FY2024 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. \$181,777 have been spent as of June 30, 2024. 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 a portion of the ARPA funds for engineering expenses 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. During fiscal years 2022 through 2024, the County spent \$233,380 for the water capital project and has transferred that amount to the ARPA Water Capital Project Fund. The County plans to use the rest of the ARPA funds for revenue replacement concerning salaries. Revenue replacement funds will be transferred to the appropriate funds when the expenditures for the intended use occur. The remaining funds of \$7,012,893 will be spent during fiscal year 2025.

### **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, 2024

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, DSS representative payee, DSS Child Welfare Funds, and Public Health services.

*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, 2024

*Restricted for Public Safety* – portion of fund balance restricted by revenue source for public safety related activities such as Sheriff (\$124,999 federal shared assets and \$82,228 state unauthorized substance in the General Fund) and fire protection (\$41,431) and Emergency Telephone System Fund (\$405,402) in the Special Revenue Funds. \$1,200,502 is restricted in the Opioid Settlement Fund for public safety purposes.

Restricted fund balance at June 30, 2024, is as follows:

<u>Purpose</u>	<u>General Fund</u>	<u>Opioid Settlement Fund</u>	<u>Capital Improvements Fund</u>	<u>Other Governmental Funds</u>
<b>Restricted, All Other:</b>				
Register of Deeds	\$ 26,751	\$ -	\$ -	\$ -
General government	96,213	-	-	692
Education	-	-	3,474,000	-
Human services	670,475	-	-	-
Economic and physical development	41,752	-	-	-
Public safety	-	1,200,502	-	447,008
Public safety - Federal Shared Asset program	124,999	-	-	-
Public safety - state unauthorized substance	82,228	-	-	-
<b>Total</b>	<u>\$ 1,042,418</u>	<u>\$ 1,200,502</u>	<u>\$ 3,474,000</u>	<u>\$ 447,700</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 \$35,319.

**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, 2024**

Committed fund balance at June 30, 2024, is as follows:

<u>Purpose</u>	<u>American Rescue Plan Act Fund</u>	<u>Capital Improvements Fund</u>	<u>Other Governmental Funds</u>
General government	\$ 52,305	\$ -	\$ -
Tax revaluation	-	-	430,475
Future capital projects	-	4,353,779	1,729,042
<b>Total</b>	<u>\$ 52,305</u>	<u>\$ 4,353,779</u>	<u>\$ 2,159,517</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.

<u>Purpose</u>	<u>General Fund</u>
Subsequent year's expenditures	<u>\$ 2,773,373</u>

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

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

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

# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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	\$ 26,508,054
Less:	
Prepays	(10,828)
Stabilization by state statute	<u>(4,961,297)</u>
Fund balance available for appropriation	<u>\$ 21,535,929</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. Stewardship, Compliance, and Accountability

### Deficit Fund Balance of Individual Funds not Appropriated in Subsequent Year's Budget Ordinance

At June 30, 2024, the County had a deficit fund balance in the 2021 CDBG Neighborhood Revitalization Program Special Revenue Fund of \$18,671. The deficit is temporary and is the result of timing of when the County will receive the reimbursement from the U.S. Department of Housing and Urban Development for CDBG grant monies received and fiscal year end. Management concurs, and expects the deficit to resolve itself in the following fiscal year.

## 3. 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

# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 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, 2024, the County’s deposits had a carrying amount of \$14,632,208 and a bank balance of \$15,002,724. Of the bank balance, \$250,000 was covered by federal depository insurance and \$14,752,724 was covered by collateral held under the Pooling Method. Cash on hand was \$4,930 at June 30, 2024.

### Investments

At June 30, 2024, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Fair Value</u>	<u>Less Than</u>	<u>6-12</u>	<u>1 - 3</u>
			<u>6 Months</u>	<u>Months</u>	<u>Years</u>
First Citizens Wealth Management: US Treasuries	Fair Value - Level 1	\$ 5,468,559	\$ 1,576,918	\$ 629,333	\$ 3,262,308
N.C. Capital Management Trust - Government Portfolio	Fair Value - Level 1	38,104	38,104	-	-
N.C. Capital Management Trust - Government Portfolio	Fair Value - Level 1	36,613,221	36,613,221	-	-
Total investments		<u>\$ 42,119,884</u>	<u>\$ 38,228,243</u>	<u>\$ 629,333</u>	<u>\$ 3,262,308</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.

# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

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

*Interest Rate Risk.* The County has not adopted a formal investment policy addressing interest rate risk. 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, 2024. 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.

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 2,211,043	\$ 574,871	\$ 2,785,914
2022	2,216,125	376,741	2,592,866
2023	1,993,374	159,470	2,152,844
2024	1,959,163	-	1,959,163
Total	<u>\$ 8,379,705</u>	<u>\$ 1,111,082</u>	<u>\$ 9,490,787</u>

**ALEXANDER COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Receivables**

Receivables at the government-wide level (Exhibit A) at June 30, 2024 were as follows:

	<u>Accounts Receivable</u>	<u>Taxes Receivable</u>	<u>Due from Other Governments</u>	<u>Total</u>
<b>Governmental Activities:</b>				
General	\$ 2,271,160	\$ 1,583,401	\$ 4,456,123	\$ 8,310,684
Opioid Settlement Fund	4,612,091	-	-	4,612,091
Other governmental	-	111,134	72,615	183,749
Total receivables	6,883,251	1,694,535	4,528,738	13,106,524
Allowance for doubtful accounts	(1,065,707)	(324,000)	-	(1,389,707)
Total governmental activities	<u>\$ 5,817,544</u>	<u>\$ 1,370,535</u>	<u>\$ 4,528,738</u>	<u>\$ 11,716,817</u>
<b>Business-Type Activities:</b>				
County Water and Sewer	\$ 522,800	\$ -	\$ 60,780	\$ 583,580
Solid Waste	134,568	-	-	134,568
Total receivables	657,368	-	60,780	718,148
Allowance for doubtful accounts	(89)	-	-	(89)
Total business-type activities	<u>\$ 657,279</u>	<u>\$ -</u>	<u>\$ 60,780</u>	<u>\$ 718,059</u>

Due from other governments consisted of the following:

Local option sales tax	\$ 2,220,762
DHHS revenues	723,451
Sales tax refund	285,947
Motor vehicle taxes	238,390
Medicaid hold harmless	281,598
Grants receivable	141,069
City of Hickory	513,747
Other	184,554
Total	<u>\$ 4,589,518</u>

At June 30, 2024, property taxes for other governments in the custodial fund is net of an allowance for doubtful account of \$30,002.



# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### Capital Assets

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

	<u>July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2024</u>
<b>Governmental Activities:</b>					
<b>Non-Depreciable Assets:</b>					
Land	\$ 3,925,709	\$ 2,082,250	\$ -	\$ -	\$ 6,007,959
Construction in progress	<u>202,492</u>	<u>827,954</u>	<u>-</u>	<u>(288,945)</u>	<u>741,501</u>
Total non-depreciable assets	<u>4,128,201</u>	<u>2,910,204</u>	<u>-</u>	<u>(288,945)</u>	<u>6,749,460</u>
<b>Depreciable Assets:</b>					
Buildings	23,085,059	-	-	140,903	23,225,962
Other improvements	1,567,127	160,686	-	148,042	1,875,855
Equipment and machinery	5,693,537	333,958	(432,825)	-	5,594,670
Vehicles	5,101,717	623,338	(232,858)	-	5,492,197
Furniture and fixtures	104,022	79,296	-	-	183,318
Subscription assets	775,618	82,580	(7,307)	-	850,891
Right-to-use lease land	28,524	-	-	-	28,524
Right-to-use lease equipment	8,972	-	-	-	8,972
Right-to-use lease buildings	117,994	-	-	-	117,994
Total depreciable assets	<u>36,482,570</u>	<u>1,279,858</u>	<u>(672,990)</u>	<u>288,945</u>	<u>37,378,383</u>
Total assets	<u>40,610,771</u>	<u>4,190,062</u>	<u>(672,990)</u>	<u>-</u>	<u>44,127,843</u>
<b>Less Accumulated Depreciation and Amortization:</b>					
Buildings	(10,628,190)	(798,699)	-	-	(11,426,889)
Other improvements	(472,650)	(51,558)	-	-	(524,208)
Equipment and machinery	(5,066,977)	(347,542)	432,825	-	(4,981,694)
Vehicles	(3,805,890)	(664,881)	232,858	-	(4,237,913)
Furniture and fixtures	(76,771)	(53,683)	-	-	(130,454)
Subscription assets	(242,061)	(294,689)	7,307	-	(529,443)
Right-to-use lease land	(5,229)	(5,705)	-	-	(10,934)
Right-to-use lease equipment	(2,816)	(1,794)	-	-	(4,610)
Right-to-use lease buildings	<u>(50,853)</u>	<u>(25,427)</u>	<u>-</u>	<u>-</u>	<u>(76,280)</u>
Total accumulated depreciation and amortization	<u>(20,351,437)</u>	<u>(2,243,978)</u>	<u>672,990</u>	<u>-</u>	<u>(21,922,425)</u>
Capital assets, net	<u>\$ 20,259,334</u>				<u>\$ 22,205,418</u>

# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

**Governmental Activities:**

General government	\$	767,068
Public safety		1,035,024
Environmental protection		12,481
Human services		157,117
Cultural and recreation		81,948
Education		190,340
Total	\$	<u>2,243,978</u>

**Proprietary Capital Assets**

The capital assets of the proprietary funds at June 30, 2024 are as follows:

	<u>July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2024</u>
<b>Business-Type Activities:</b>					
<b>County Water and Sewer Fund:</b>					
<b>Non-Depreciable Assets:</b>					
Land	\$ -	\$ 116,500	\$ -	\$ -	\$ 116,500
Construction in progress	185,886	108,274	-	-	294,160
Total non-depreciable assets	<u>185,886</u>	<u>224,774</u>	<u>-</u>	<u>-</u>	<u>410,660</u>
<b>Depreciable Assets:</b>					
Infrastructure	25,102,748	-	-	13,373,333	38,476,081
Equipment and machinery	8,500	-	-	-	8,500
Total depreciable assets	<u>25,111,248</u>	<u>-</u>	<u>-</u>	<u>13,373,333</u>	<u>38,484,581</u>
Total assets	<u>25,297,134</u>	<u>224,774</u>	<u>-</u>	<u>13,373,333</u>	<u>38,895,241</u>
<b>Less Accumulated Depreciation:</b>					
Infrastructure	(10,351,737)	(1,426,524)	-	(5,067,808)	(16,846,069)
Equipment and machinery	(8,500)	-	-	-	(8,500)
Total accumulated depreciation	<u>(10,360,237)</u>	<u>(1,426,524)</u>	<u>-</u>	<u>(5,067,808)</u>	<u>(16,854,569)</u>
County Water and Sewer capital assets, net	<u>14,936,897</u>				<u>22,040,672</u>
<b>Bethlehem Water District Fund:</b>					
<b>Non-Depreciable Assets:</b>					
<b>Depreciable Assets:</b>					
Infrastructure	6,814,232	-	-	(6,814,232)	-
<b>Less Accumulated Depreciation:</b>					
Infrastructure	(4,028,349)	-	-	4,028,349	-
Bethlehem Water capital assets, net	<u>2,785,883</u>				<u>-</u>

# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	<u>July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2024</u>
<b>Business-Type Activities (cont):</b>					
<b>Solid Waste Fund:</b>					
<b>Non-Depreciable Assets:</b>					
Land	\$ 240,573	\$ -	\$ -	\$ -	\$ 240,573
Land improvements	-	180,446	-	-	180,446
Total non-depreciable assets	240,573	180,446	-	-	421,019
<b>Depreciable Assets:</b>					
Buildings	651,404	-	-	-	651,404
Other improvements	263,584	-	-	-	263,584
Infrastructure	217,411	-	-	-	217,411
Vehicles	352,494	-	-	-	352,494
Equipment and machinery	639,141	123,564	(105,294)	-	657,411
Right-to-use lease land	41,953	60,093	(25,510)	-	76,536
Total depreciable assets	2,165,987	183,657	(130,804)	-	2,218,840
Total assets	2,406,560	364,103	(130,804)	-	2,639,859
<b>Less Accumulated Depreciation and Amortization:</b>					
Buildings	(420,654)	(16,005)	-	-	(436,659)
Other improvements	(15,376)	(13,179)	-	-	(28,555)
Infrastructure	(216,813)	(34)	-	-	(216,847)
Vehicles	(352,494)	-	-	-	(352,494)
Equipment and machinery	(625,444)	(47,825)	105,294	-	(567,975)
Right-to-use lease land	(17,419)	(12,623)	15,064	-	(14,978)
Total accumulated depreciation and amortization	(1,648,200)	(89,666)	120,358	-	(1,617,508)
Solid Waste capital assets, net	758,360				1,022,351
<b>Bethlehem Sewer Fund:</b>					
<b>Non-Depreciable Assets:</b>					
<b>Depreciable Assets:</b>					
Infrastructure	6,559,101	-	-	(6,559,101)	-
<b>Less Accumulated Depreciation:</b>					
Infrastructure	(1,039,459)	-	-	1,039,459	-
Bethlehem Sewer capital assets, net	5,519,642				-
Total business-type activities capital assets, net	\$ 24,000,782				\$ 23,063,023

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, 2024, were \$2,115,443.

**ALEXANDER COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Construction Commitments**

The County has active construction projects at June 30, 2024. The County’s commitments with contractors are listed as follows for the following projects:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Bethlehem Park Improvements Project	\$ 283,854	\$ 1,007,942
Three Forks Church Rd Waterline Project	36,000	311,000
Bethlehem Water Tank Project	139,895	220,105
American Rescue Plan Water Capital Project	233,380	344,920
Total	<u>\$ 693,129</u>	<u>\$ 1,883,967</u>

**Net Investment in Capital Assets**

The total net investment in capital assets at June 30, 2024 is composed of the following elements:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets	\$ 22,205,418	\$ 23,063,023
Long-term debt	(1,641,529)	(10,891,664)
Net investment in capital assets	<u>\$ 20,563,889</u>	<u>\$ 12,171,359</u>

**B. Liabilities**

**Payables**

Payables at the government-wide level (Exhibit A) at June 30, 2024 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Total</u>
<b>Governmental Activities:</b>			
General	\$ 568,045	\$ 952,184	\$ 1,520,229
Capital Improvements Fund	1,967,914	-	1,967,914
Other governmental	179,482	-	179,482
Total governmental activities	<u>\$ 2,715,441</u>	<u>\$ 952,184</u>	<u>\$ 3,667,625</u>
<b>Business-Type Activities:</b>			
County Water and Sewer	\$ 51,709	\$ -	\$ 51,709
Solid Waste	75,028	7,222	82,250
Landfill closure	3,600	-	3,600
Total business-type activities	<u>\$ 130,337</u>	<u>\$ 7,222</u>	<u>\$ 137,559</u>

# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### 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](http://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, 2024

**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, 2024, was 14.04% of compensation for law enforcement officers and 12.91% 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 \$2,356,454 for the year ended June 30, 2024.

*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, 2024, the County reported a liability of \$13,946,963 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023, 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, 2024, the County’s proportion was 0.21058% (measured as of June 30, 2023), which was an increase of 0.02469% from its proportion as of June 30, 2023 (measured as of June 30, 2022).

For the year ended June 30, 2024, the County recognized pension expense of \$4,149,375. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,554,105	\$ 33,457
Changes of assumptions	592,665	-
Net difference between projected and actual earnings on pension plan investments	3,732,818	-
Changes in proportion and differences between County contributions and proportionate share of contributions	516,896	172,585
County contributions subsequent to the measurement date	2,356,454	-
Total	\$ 8,752,938	\$ 206,042

# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

\$2,356,454 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, 2025. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2025	\$ 2,227,884
2026	1,152,053
2027	2,652,661
2028	157,844
2029	-
Thereafter	-
Total	<u>\$ 6,190,442</u>

**Actuarial Assumptions.** The total pension liability in the December 31, 2022, 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, 2022 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.

# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023, are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
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	100.0%	

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, 2024

*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:

	<b>1% Decrease (5.50%)</b>	<b>Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
County's proportionate share of the net pension liability (asset)	\$ 24,162,565	\$ 13,946,963	\$ 5,536,522

**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, 2022, the Separation Allowance's membership consisted of:

Retirees receiving benefits	6
Active plan members	40
Total	46

### **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, 2024

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, 2022 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	4.00 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, 2022, 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, 2024

**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 \$58,917 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, 2024, the County reported a total pension liability of \$1,372,851. The total pension liability was measured as of December 31, 2023, based on a December 31, 2022, actuarial valuation. The total pension liability was rolled forward to the measurement date of December 31, 2023, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the County recognized pension expense of \$172,062.

At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 179,545	\$ -
Changes of assumptions	123,253	145,517
County benefit payments and plan administrative expense made subsequent to the measurement date	29,458	-
<b>Total</b>	<b>\$ 332,256</b>	<b>\$ 145,517</b>

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, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2025	\$ 65,823
2026	46,302
2027	4,870
2028	21,751
2029	18,535
Thereafter	-
<b>Total</b>	<b>\$ 157,281</b>

# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

*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 4.00 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 (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current rate:

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Total pension liability	\$ 1,480,499	\$ 1,372,851	\$ 1,275,423

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

	2024
Beginning balance	\$ 1,119,120
Service cost	57,969
Interest on the total pension liability	46,964
Difference between expected and actual experience in the measurement of the total pension liability	178,604
Changes of assumptions or other inputs	29,111
Benefit payments	(58,917)
Ending balance of the total pension liability	\$ 1,372,851

**Changes of Assumptions.** Changes of assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 4.31% at December 31, 2022, to 4.00% at December 31, 2023 (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, 2024

**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 \$116,863 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](http://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 \$2,457 for the year ended June 30, 2024.

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

At June 30, 2024, the County reported an asset of \$35,319 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial

**ALEXANDER COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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, 2024, the County’s proportion was 0.29391% (measured as of June 30, 2023), which was an increase of 0.00700% from its proportion as of June 30, 2023 (measured as of June 30, 2022).

For the year ended June 30, 2024, the County recognized pension expense of \$5,995. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 1,564
Net difference between projected and actual earnings on pension plan investments	17,940	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	1,822
County contributions subsequent to the measurement date	2,457	-
Total	<b>\$ 20,397</b>	<b>\$ 3,386</b>

\$2,457 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, 2025. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2025	\$ 2,746
2026	5,470
2027	5,208
2028	1,130
2029	-
Thereafter	-
Total	<b>\$ 14,554</b>

# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

**Actuarial Assumptions.** The total pension liability in the December 31, 2022 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, 2022 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 99.8% 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, 2023 is 0.9%.

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.

**ALEXANDER COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**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 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:

	<b>1% Decrease (2.00%)</b>	<b>Current Discount Rate (3.00%)</b>	<b>1% Increase (4.00%)</b>
County's proportionate share of the net pension liability (asset)	\$ (24,109)	\$ (35,319)	\$ (44,771)

**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, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2022. The total pension liability for LEOSSA was measured as of December 31, 2023, with an actuarial valuation date of December 31, 2022. 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.



# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate share of net pension liability (asset)	\$ 13,946,963	\$ (35,319)	n/a	\$ 13,911,644
Proportion of the net pension liability (asset)	0.21058%	0.29391%	n/a	-
Total pension liability	\$ -	\$ -	\$ 1,372,851	\$ 1,372,851
Pension expense	\$ 4,149,375	\$ 5,995	\$ 172,062	\$ 4,327,432

At June 30, 2024, 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>
<b><u>Deferred Outflows of Resources:</u></b>				
Pensions - difference between expected and actual experience	\$ 1,554,105	\$ -	\$ 179,545	\$ 1,733,650
Pensions - difference between projected and actual investment earnings	3,732,818	17,940	-	3,750,758
Changes of assumptions	592,665	-	123,253	715,918
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	516,896	-	-	516,896
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>2,356,454</u>	<u>2,457</u>	<u>29,458</u>	<u>2,388,369</u>
Total	<u>\$ 8,752,938</u>	<u>\$ 20,397</u>	<u>\$ 332,256</u>	<u>\$ 9,105,591</u>

<b><u>Deferred Inflows of Resources:</u></b>				
Pensions - difference between expected and actual experience	\$ 33,457	\$ 1,564	\$ -	\$ 35,021
Net difference between projected and actual				
Changes of assumptions	-	-	145,517	145,517
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	<u>172,585</u>	<u>1,822</u>	<u>-</u>	<u>174,407</u>
Total	<u>\$ 206,042</u>	<u>\$ 3,386</u>	<u>\$ 145,517</u>	<u>\$ 354,945</u>

# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### Other Post-Employment Benefits

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

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

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

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

**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.

# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

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

Inactive plan members or beneficiaries	
currently receiving benefit payments	62
Active plan members	75
Total	137

### **Total OPEB Liability**

The County’s total OPEB liability of \$20,899,768 was measured as of June 30, 2023, 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	3.54 percent
Measurement date	3.65 percent
Health Care Cost Trends	
Pre-Medicare medical and prescription drug	7.00 percent for 2021 decreasing to an ultimate rate of 4.50% by 2032
Medicare medical and prescription drug	5.125 percent for 2021 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, 2024**

**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
<b>Balance at June 30, 2023</b>	<b>\$ 20,772,183</b>
<b>Changes for the year:</b>	
Service cost	325,718
Interest	738,517
Differences between expected and actual experience	(120,538)
Changes of assumptions or other inputs	(340,271)
Benefit payments	(475,841)
<b>Net changes</b>	<b>127,585</b>
<b>Balance at June 30, 2024</b>	<b>\$ 20,899,768</b>

Changes in assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.54% to 3.65%.

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 (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current discount rate:

	<b>1% Decrease (2.65%)</b>	<b>Current Discount Rate (3.65%)</b>	<b>1% Increase (4.65%)</b>
Total OPEB liability	\$ 24,337,583	\$ 20,899,768	\$ 18,160,783

**ALEXANDER COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

*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:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Total OPEB liability	\$ 17,860,484	\$ 20,899,768	\$ 24,732,725

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

For the year ended June 30, 2024, the County recognized OPEB expense of \$247,316. At June 30, 2024, the County reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,359	\$ 1,326,478
Changes of assumptions	588,468	2,238,919
Benefit payments and plan administrative expense made subsequent to the measurement date	489,941	-
Total	\$ 1,080,768	\$ 3,565,397

\$489,941 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, 2025. Other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ending June 30</b>	<b>Total</b>
2025	\$ (1,746,417)
2026	(1,163,456)
2027	(64,697)
2028	-
2029	-
Thereafter	-
Total	\$ (2,974,570)

# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### **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 \$4,015,250 reported as landfill closure and post-closure care liability at June 30, 2024, represents a cumulative amount reported to date based on the use of 63% 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 \$2,358,162 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 2024. 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, 2024

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 \$150,000 was made to the Landfill Closure Fund during the fiscal year ended June 30, 2024. The Landfill Closure Fund has \$1,247,460 in cash at June 30, 2024.

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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience (pensions, OPEB)	\$ 1,736,009	\$ 1,361,499
Changes of assumptions (pensions, OPEB)	1,304,386	2,384,436
Net difference between projected and actual earnings on pension plan investments (pensions)	3,750,758	-
Changes in proportion and differences between County contributions and proportionate share of contributions (pensions)	516,896	174,407
Benefit payments for the OPEB plan paid subsequent to the measurement date	489,941	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	29,458	-
County contributions subsequent to the measurement date (LGERS & ROD)	2,358,911	-
Taxes receivable, net (General Fund and Special Revenue Fund)	-	1,370,535
Unavailable revenues (Governmental Activities)	-	3,734,926
Health department receivables, net (General Fund)	-	39,568
Prepaid taxes (General Fund)	-	51,758
<b>Total</b>	<b>\$ 10,186,359</b>	<b>\$ 9,117,129</b>

# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### **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 and Arch Insurance Company equal to replacement cost values of owned property subject to a limit of \$55 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 and settled claims have not exceeded coverage in any of the past three fiscal years.

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 is individually bonded for \$1,000,000 and 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.



# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### **Contingent Liabilities**

At June 30, 2024, 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.

### **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, 2024, the lease liability was \$36,432. The value of the right-to-use asset at year end is \$94,472 with accumulated amortization of \$58,638. 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, 2024, the lease liability was \$4,555. The value of the right-to-use asset at year end is \$8,972 with accumulated amortization of \$4,610.

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, 2024, the lease liability was \$5,968. The value of the right-to-use asset at year end is \$23,522 with accumulated amortization of \$17,642. 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, 2024, the value of the lease liability is \$17,124. The value of the right-to-use asset at year end is \$28,524 with accumulated amortization of \$10,934.

**ALEXANDER COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, were as follows:

**Governmental Funds:**

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 33,120	\$ 851	\$ 33,971
2026	24,209	412	24,621
2027	6,750	150	6,900
Total governmental funds	<u>\$ 64,079</u>	<u>\$ 1,413</u>	<u>\$ 65,492</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, 2024, the lease liability was \$3,333. The value of the right-to-use asset at year end is \$8,221 with accumulated amortization of \$4,485. 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, 2024, the lease liability was \$3,333. The value of the right-to-use asset at year end is \$8,221 with accumulated amortization of \$4,485. Alexander County has 1 extension option for 60 months. The County had a termination period of 2 months as of the lease commencement.

On 7/1/2023, Alexander County, NC entered into a 10-year 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 \$42,212. The County is required to make annual fixed payments of \$4,800. The lease has an interest rate of 2.960%. As of 6/30/2024, the value of the lease liability is \$37,443. The value of the right to use asset as of 6/30/2024 is \$42,212 with accumulated amortization of \$4,221.

On 1/1/2024, Alexander County, NC entered into a 5-year 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 \$17,881. The County is required to make annual fixed payments of \$3,750. The lease has an interest rate of 2.432%. As of 6/30/2024, the value of the lease liability is \$14,132. The value of the right to use asset as of 6/30/2024 is \$17,882 with accumulated amortization of \$1,787.

**ALEXANDER COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, were as follows:

**Business-Type Activities:**

**Proprietary Funds:**

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 10,409	\$ 1,541	\$ 11,950
2026	10,645	1,305	11,950
2027	7,488	1,062	8,550
2028	7,690	860	8,550
2029	4,149	651	4,800
2030-2033	17,860	1,341	19,201
Total proprietary funds	\$ 58,241	\$ 6,760	\$ 65,001

**Subscriptions**

The County has entered into subscription-based agreements qualifying as other than short-term agreements under GASB96 and, therefore, have been recorded at the present value of the future minimum subscription payments as of the date of their inception.

***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 06/30/2024, the value of the subscription liability is \$0. 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 06/30/2024 is \$54,015 with accumulated amortization of \$46,298.

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 06/30/2024, the value of the subscription liability is \$25,750. 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 06/30/2024 is \$42,939 with accumulated amortization of \$11,546.

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 06/30/2024, the value of the subscription liability is \$429. 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 06/30/2024 is \$715 with accumulated amortization of \$152.

## ALEXANDER COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 06/30/2024, the value of the subscription liability is \$22,761. 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 06/30/2024 is \$61,621 with accumulated amortization of \$39,828.

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 06/30/2024, the value of the subscription liability is \$1,820. 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 06/30/2024 is \$2,733 with accumulated amortization of \$908.

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 06/30/2024, the value of the subscription liability is \$0. 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 06/30/2024 is \$20,342 with accumulated amortization of \$14,358.

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 06/30/2024, the value of the subscription liability is \$1,828. 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 06/30/2024 is \$3,604 with accumulated amortization of \$1,572.

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 06/30/2024, the value of the subscription liability is \$39,779. 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 06/30/2024 is \$77,820 with accumulated amortization of \$39,128.

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 06/30/2024, the value of the subscription liability is \$5,123. 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 06/30/2024 is \$8,542 with accumulated amortization of \$3,422.

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 06/30/2024, the value of the subscription liability is \$8,082. 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 06/30/2024 is \$13,476 with accumulated amortization of \$3,593.

## ALEXANDER COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 06/30/2024, the value of the subscription liability is \$6,907. 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 06/30/2024 is \$20,728 with accumulated amortization of \$11,261.

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 06/30/2024, the value of the subscription liability is \$52,281. 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 06/30/2024 is \$87,168 with accumulated amortization of \$22,687.

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 06/30/2024, the value of the subscription liability is \$0. 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 06/30/2024 is \$294,014 with accumulated amortization of \$252,012.

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 06/30/2024, the value of the subscription liability is \$4,798. 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 06/30/2024 is \$14,396 with accumulated amortization of \$9,078.

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 06/30/2024, the value of the subscription liability is \$2,966. 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 06/30/2024 is \$4,440 with accumulated amortization of \$1,524.

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 06/30/2024, the value of the subscription liability is \$0. 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 06/30/2024 is \$11,871 with accumulated amortization of \$11,377.

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 06/30/2024, the value of the subscription liability is \$267. 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 06/30/2024 is \$954 with accumulated amortization of \$676.

**ALEXANDER COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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 06/30/2024, the value of the subscription liability is \$16,173. 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 06/30/2024 is \$47,493 with accumulated amortization of \$31,662.

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 06/30/2024, the value of the subscription liability is \$485. 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 06/30/2024 is \$1,440 with accumulated amortization of \$834.

On 07/01/2023, Alexander County, NC entered into a 36-month subscription for the use of Human Resources-NeoGov. An initial subscription liability was recorded in the amount of \$82,580. As of 06/30/2024, the value of the subscription liability is \$71,001. Alexander County, NC is required to make annual fixed payments of \$11,788. The subscription has an interest rate of 3.0410%. The value of the right to use asset as of 06/30/2024 is \$82,580 with accumulated amortization of \$27,527.

The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2024, were as follows:

**Governmental Funds:**

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 128,825	\$ 6,558	\$ 135,383
2026	98,100	3,456	101,556
2027	32,806	939	33,745
2028	719	18	737
Total governmental funds	<u>\$ 260,450</u>	<u>\$ 10,971</u>	<u>\$ 271,421</u>

**Direct Placement Notes Payable**

Notes payable at June 30, 2024 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. \$ 1,317,000

**ALEXANDER COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

The County’s outstanding note from direct placement related to the law enforcement and detention center and courthouse of \$1,317,000 is secured by a deed of trust. This borrowing contains provisions that in the event of a default, the bank may, without any further demand or notice, exercise any one or more of the following remedies:

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

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

**Governmental Funds:**

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 665,000	\$ 12,661	\$ 677,661
2026	652,000	5,379	657,379
Total governmental funds	<u>\$ 1,317,000</u>	<u>\$ 18,040</u>	<u>\$ 1,335,040</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.	\$ 800,143
\$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.	1,807,947
\$5,059,972 March 2020 Drinking Water State Revolving Fund agreement to construct water lines due on May 1 in annual installments of \$249,676, with interest payable on May 1 and November 1 at 0.86% through May 2040, unsecured.	3,994,817
\$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.	<u>4,230,516</u>
Total proprietary funds	<u>\$ 10,833,423</u>
Total all funds	<u>\$ 12,150,423</u>

**ALEXANDER COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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 \$800,143, \$1,807,947, \$3,994,817, and \$4,230,516 respectively, contain provisions that the County may be required by NC Department of Environmental Quality to prepay the promissory note in whole and any further commitment of funds be withdrawn if the County fails to adopt on or before completion of the project, place into effect, and agree to maintain until the principal sum is paid, a schedule of fees, charges and other available funds, that will adequately provide for proper operation, maintenance, and administration of the project and for repayment of all principal and interest on the loans. Additionally, any monies due to the County from the state may be withheld by the state and applied to the payment of the obligation whenever the County fails to pay any payment of principal or interest on the note when due.

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	
	Principal	Interest
2025	\$ 862,925	\$ 85,003
2026	862,925	76,664
2027	862,925	68,625
2028	862,925	59,986
2029	662,889	51,647
2030-2034	3,314,444	196,166
2035-2039	2,657,009	92,715
2040-2044	747,381	8,120
Total proprietary funds	\$ 10,833,423	\$ 638,926



# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

A summary of changes in long-term obligations follows:

	<u>July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2024</u>	<u>Current Portion</u>
<b>Governmental Activities:</b>						
Notes payable - direct placements	\$ 1,996,000	\$ -	\$ 679,000	\$ -	\$ 1,317,000	\$ 665,000
Lease liabilities	96,738	-	32,659	-	64,079	33,120
Subscription liabilities	482,602	82,580	304,732	-	260,450	128,825
Compensated absences	1,747,881	1,260,038	1,137,985	-	1,869,934	1,137,000
Total OPEB liability	20,389,975	1,045,945	895,628	-	20,540,292	-
Total pension liability (LEOSSA)	1,119,120	312,648	58,917	-	1,372,851	-
Net pension obligation (LGERS)	<u>10,316,307</u>	<u>3,390,910</u>	<u>-</u>	<u>-</u>	<u>13,707,217</u>	<u>-</u>
Total	<u>\$ 36,148,623</u>	<u>\$ 6,092,121</u>	<u>\$ 3,108,921</u>	<u>\$ -</u>	<u>\$ 39,131,823</u>	<u>\$ 1,963,945</u>
<b>Business-Type Activities:</b>						
<b>County Water and Sewer Fund:</b>						
Notes payable - direct borrowings	<u>\$ 6,797,818</u>	<u>\$ 419,160</u>	<u>\$ 862,925</u>	<u>\$ 4,479,370</u>	<u>\$ 10,833,423</u>	<u>\$ 862,925</u>
<b>Bethlehem Sewer Fund:</b>						
Notes payable - direct borrowings	<u>4,479,370</u>	<u>-</u>	<u>-</u>	<u>(4,479,370)</u>	<u>-</u>	<u>-</u>
<b>Solid Waste Fund:</b>						
Lease liabilities	22,350	60,093	24,202	-	58,241	10,409
Total OPEB liability	382,208	18,290	41,022	-	359,476	-
Compensated absences	19,411	8,676	8,627	-	19,460	8,600
Net pension obligation (LGERS)	<u>170,544</u>	<u>69,202</u>	<u>-</u>	<u>-</u>	<u>239,746</u>	<u>-</u>
Total	<u>594,513</u>	<u>156,261</u>	<u>73,851</u>	<u>-</u>	<u>676,923</u>	<u>19,009</u>
<b>Landfill Closure Fund:</b>						
Accrued landfill post-closure costs	<u>3,563,900</u>	<u>510,258</u>	<u>58,908</u>	<u>-</u>	<u>4,015,250</u>	<u>-</u>
Total business-type activities	<u>\$ 15,435,601</u>	<u>\$ 1,085,679</u>	<u>\$ 995,684</u>	<u>\$ -</u>	<u>\$ 15,525,596</u>	<u>\$ 881,934</u>

At June 30, 2024, the County had a legal debt margin of \$312,463,188.

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, 2024

### C. Interfund Balances and Activity

The following is a summary of interfund receivables and payables as of June 30, 2024:

<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	\$ 3,200	Time lag for when transfer was made to EFCPF to reimburse expenditures
General Fund	County Water and Sewer Fund	60,780	Local funds advanced for project costs prior to grant reimbursements
General Fund	2021 CDBG Neighborhood Revitalization Program SRF	6,234	Local funds advanced for project costs prior to grant reimbursements
Capital Improvements Fund	General Fund		Sales tax hold harmless amount due to schools
CPF		<u>3,393</u>	
Total		<u>\$ 73,607</u>	

Transfers for the year ended June 30, 2024, are summarized below:

	<u>Transfers</u>		<u>Purpose</u>
	<u>From</u>	<u>To</u>	
<b>Transfers From/to Other Funds:</b>			
General Fund	\$ 5,881,723	\$ -	
Major Capital Project (Capital Improvements) Fund	-	3,085,679	School sales tax hold harmless funds; Resources for school capital expenditures
Special Revenue (Emergency Telephone System) Fund	-	431	Reimburse ETSF for FY 2023 ineligible expenditures
Capital Project (Park Improvements Project) Fund	-	1,932,000	Use of Art. 44*524 sales tax for Bethlehem Park project
Enterprise (County Water and Sewer) Fund	-	572,487	Use of Art. 44*524 sales tax for debt service payment
Enterprise (Solid Waste) Fund	-	67,000	Resources for current year operations
Enterprise (Landfill Closure Fund) Fund	-	150,000	Resources for landfill closure and post-closure
Special Revenue Fund (Paragon Project)	-	74,126	County local match for CDBG grant project
Special Revenue (Soil and Water State Emergency Disaster Funds - Stream Debris Removal) Fund	1,556	-	Close Stream Debris Removal Project grant project
General Fund	-	1,556	
Enterprise (County Water and Sewer CPF Water Line Extension Project) Fund	411,125	-	Close DEQ Water Proj # 0098
Enterprise (County Water and Sewer) Fund	-	411,125	

# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	Transfers		Purpose
	From	To	
<b>Transfers From/to Other Funds (continued):</b>			
Special Revenue (2022 State Appropriations Act - Directed Grants to Local Govts) Fund	385,499	-	Grant funds for Bethlehem Park project
Capital Project (Park Improvements Capital Project) Fund	-	385,499	
Special Revenue (2022 State Appropriations Act - Directed Grants to Local Govts) Fund	327,000	-	Reimburse General Fund for FY 2024 Courthouse Design costs-OSBM Grant expense.
General Fund	-	327,000	
Enterprise (Bethlehem Sewer Fund)	1,731,317	-	Close fund 37 Beth Sewer to combine all Enterprise County Water & Sewer Funds
Enterprise (County Water and Sewer) Fund	-	1,731,317	
Major Special Revenue Fund (American Rescue Plan Act Fund)	81,400	-	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	-	81,400	
Enterprise (Bethlehem Water) Fund	7,777,776	-	Close Fund 33 Beth Water to combine all County Water & Sewer Funds
Enterprise (County Water and Sewer) Fund	-	7,777,776	
Special Revenue (Soil & Water Streamflow Rehab Assistance Program StRAP) Fund	818	-	Reimburse General Fund for FY 2023 StRAP project expense
General Fund	-	818	
Total transfers	<u>\$ 16,598,214</u>	<u>\$ 16,598,214</u>	

#### 4. 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.

#### 5. 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 \$55,405 and administrative and other fees of \$45,251 to the Council during the fiscal year ended June 30, 2024.

# ALEXANDER COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 \$48,000 as a special appropriation to the RTA during the fiscal year ended June 30, 2024.

### **6. Related Organizations and Parties**

As previously stated, the Alexander County Economic Development Corporation is a component unit of Alexander County under GASB Statement No. 61. The County provided contributions to the EDC in two payments of \$100,000 and \$50,000, totaling \$150,000 for operations. The County pays salaries, benefits, and payroll taxes for the two personnel who manage the EDC's operations. The total amount expended by the County for fiscal year 2024 EDC personnel costs was \$256,551. The EDC transferred land and land improvements back to Alexander County in the amount of \$2,082,250. The EDC returned unused State Revolving Loan funds to the County in the amount of \$136,442.

For the fiscal year ended June 30, 2024, the County received the following from the Alexander County ABC Board: \$3,603 for tax distributions, \$4,000 for profit distributions-law enforcement, \$5,300 for profit distributions-alcohol education and \$40,700 for County general distributions. At June 30, 2024 the County's receivable from the Alexander County ABC Board profit distributions was for the following amounts: \$3,700 law enforcement, \$5,000 alcohol education, and \$36,000 County general distributions.

### **7. Hurricane Helene**

Damage in certain areas of the state of North Carolina resulting from Hurricane Helene beginning on September 27, 2024, and continuing, was of sufficient severity and magnitude to warrant a major disaster declaration by the President. Hurricane Helene struck North Carolina and caused serious flooding and wind damage in several counties including areas of Alexander County. While there may have been damage to buildings and other assets, as of the date of this report, it is unknown as to the extent of that damage.

*This page left blank intentionally.*

ALEXANDER COUNTY, NORTH CAROLINA

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

	<b>Other Post-Employment Benefits</b>			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 20,772,183	\$ 27,569,399	\$ 26,396,584	\$ 21,063,577
Service cost	325,718	616,852	625,155	502,516
Interest on TOL and cash flows	738,517	604,045	591,161	747,199
Differences between expected and actual experience	(120,538)	(2,897,759)	2,800	(44,869)
Changes of assumptions or other inputs	(340,271)	(4,675,537)	501,467	4,567,029
Benefit payments	(475,841)	(444,817)	(547,768)	(438,868)
Ending balance of the total pension liability	<u>\$ 20,899,768</u>	<u>\$ 20,772,183</u>	<u>\$ 27,569,399</u>	<u>\$ 26,396,584</u>
Covered employee payroll	\$ 3,934,214	\$ 3,934,214	\$ 4,313,896	\$ 4,313,896
Total OPEB liability as a percentage of covered employee payroll	531.23%	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:

<u>Fiscal Year</u>	<u>Rate</u>
2024	3.65%
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 SEVEN FISCAL YEARS

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

	<b>Local Governmental Employees' Retirement System</b>				
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
County's proportion of the net pension liability (asset) (%)	0.21058%	0.18589%	0.19700%	0.19092%	0.18491%
County's proportion of the net pension liability (asset) (\$)	\$ 13,946,963	\$ 10,486,851	\$ 3,021,185	\$ 6,822,384	\$ 5,049,748
County's covered payroll	\$ 17,268,763	\$ 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	80.76%	75.12%	22.44%	51.59%	40.47%
Plan fiduciary net position as a percentage of total pension liability**	82.49%	84.14%	95.51%	88.61%	90.86%

**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\***

	<b>Local Governmental Employees' Retirement System</b>				
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
County's proportion of the net pension liability (asset) (%)	0.18217%	0.18628%	0.19470%	0.19330%	0.19219%
County's proportion of the net pension liability (asset) (\$)	\$ 4,321,696	\$ 2,845,844	\$ 4,132,187	\$ 867,519	\$ (1,133,437)
County's covered payroll	\$ 11,840,407	\$ 11,273,216	\$ 11,190,724	\$ 11,199,058	\$ 10,804,503
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	36.50%	25.24%	36.93%	7.75%	-10.49%
Plan fiduciary net position as a percentage of total pension liability**	91.63%	94.18%	91.47%	98.09%	102.64%

**ALEXANDER COUNTY, NORTH CAROLINA**

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

<b>Local Governmental Employees' Retirement System</b>					
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 2,356,454	\$ 2,116,789	\$ 1,603,507	\$ 1,384,770	\$ 1,203,342
Contributions in relation to the contractually required contribution	<u>2,356,454</u>	<u>2,116,789</u>	<u>1,603,507</u>	<u>1,384,770</u>	<u>1,203,342</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 17,444,898	\$ 17,268,763	\$ 13,960,240	\$ 13,462,439	\$ 13,224,436
Contributions as a percentage of covered payroll	13.51%	12.26%	11.49%	10.29%	9.10%

**ALEXANDER COUNTY, NORTH CAROLINA**

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

<b>Local Governmental Employees' Retirement System</b>					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 986,192	\$ 905,906	\$ 843,491	\$ 771,344	\$ 800,901
Contributions in relation to the contractually required contribution	<u>986,192</u>	<u>905,906</u>	<u>843,491</u>	<u>771,344</u>	<u>800,901</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 12,478,024	\$ 11,840,407	\$ 11,273,216	\$ 11,190,724	\$ 11,199,058
Contributions as a percentage of covered payroll	7.90%	7.65%	7.48%	6.89%	7.15%

**ALEXANDER COUNTY, NORTH CAROLINA**

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

	<b>Register of Deeds' Supplemental Pension Fund</b>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
County's proportion of the net pension liability (asset) (%)	0.29391%	0.28691%	0.27344%	0.26904%	0.25802%
County's proportion of the net pension liability (asset) (\$)	\$ (35,319)	\$ (37,987)	\$ (52,536)	\$ (61,659)	\$ (50,938)
Plan fiduciary net position as a percentage of the total pension liability**	135.74%	139.04%	156.53%	173.62%	164.11%

**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\***

	<b>Register of Deeds' Supplemental Pension Fund</b>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportion of the net pension liability (asset) (%)	0.28513%	0.27700%	0.28472%	0.28474%	0.29199%
County's proportion of the net pension liability (asset) (\$)	\$ (47,226)	\$ (47,281)	\$ (53,232)	\$ (65,986)	\$ (66,171)
Plan fiduciary net position as a percentage of the total pension liability**	153.31%	153.77%	160.17%	197.29%	193.88%

**ALEXANDER COUNTY, NORTH CAROLINA**

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

	<b>Register of Deeds' Supplemental Pension Fund</b>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 2,457	\$ 2,623	\$ 3,289	\$ 3,282	\$ 2,576
Contributions in relation to the contractually required contribution	<u>2,457</u>	<u>2,623</u>	<u>3,289</u>	<u>3,282</u>	<u>2,576</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**

<b>Register of Deeds' Supplemental Pension Fund</b>					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,452	\$ 2,440	\$ 2,407	\$ 2,326	\$ 2,278
Contributions in relation to the contractually required contribution	<u>2,452</u>	<u>2,440</u>	<u>2,407</u>	<u>2,326</u>	<u>2,278</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 EIGHT FISCAL YEARS

<u>Law Enforcement Officers' Special Separation Allowance</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 1,119,120	\$ 1,275,155	\$ 1,246,557	\$ 900,925
Service cost	57,969	74,272	72,243	48,443
Interest on the total pension liability	46,964	27,853	23,360	28,438
Differences between expected and actual experience in the measurement of the total pension liability	178,604	21,055	38,969	3,238
Changes of assumptions or other inputs	29,111	(204,720)	(33,624)	322,680
Benefit payments	<u>(58,917)</u>	<u>(74,495)</u>	<u>(72,350)</u>	<u>(57,167)</u>
Ending balance of the total pension liability	<u>\$ 1,372,851</u>	<u>\$ 1,119,120</u>	<u>\$ 1,275,155</u>	<u>\$ 1,246,557</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 EIGHT FISCAL YEARS

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

**Law Enforcement Officers' Special Separation Allowance**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Total pension liability	\$ 1,372,851	\$ 1,119,120	\$ 1,275,155	\$ 1,246,557
Covered-employee payroll	2,101,106	1,735,541	1,676,493	1,700,625
Total pension liability as a percentage of covered-employee payroll	65.34%	64.48%	76.06%	73.30%

**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 EIGHT FISCAL YEARS**

<b>Law Enforcement Officers' Special Separation Allowance</b>				
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total pension liability	\$ 900,925	\$ 831,550	\$ 828,599	\$ 736,944
Covered-employee payroll	1,499,809	1,390,740	1,580,388	1,652,773
Total pension liability as a percentage of covered-employee payroll	60.07%	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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
<b>Ad Valorem Taxes:</b>			
Taxes	\$ 26,459,672	\$ 26,731,696	\$ 272,024
Penalties and interest	166,000	190,605	24,605
Total	<u>26,625,672</u>	<u>26,922,301</u>	<u>296,629</u>
<b>Local Option Sales Taxes:</b>			
Article 39 one percent	3,674,000	3,904,323	230,323
Article 40 one-half of one percent	4,142,000	3,881,805	(260,195)
Article 42 one-half of one percent	2,128,000	2,115,285	(12,715)
Article 44 one-half of one percent	-	1	1
Article 46 one-fourth of one percent	875,000	932,747	57,747
Article 44*524	2,411,000	2,411,256	256
Medicaid Hold Harmless	1,100,000	1,278,161	178,161
Total	<u>14,330,000</u>	<u>14,523,578</u>	<u>193,578</u>
<b>Other Taxes and Licenses:</b>			
ABC \$.05 per bottle	9,000	8,730	(270)
Alcoholic beverage tax distribution	152,000	164,928	12,928
Video programming distribution	137,000	127,011	(9,989)
Total	<u>298,000</u>	<u>300,669</u>	<u>2,669</u>
<b>Unrestricted Intergovernmental Revenues:</b>			
ABC net revenues	<u>40,000</u>	<u>36,700</u>	<u>(3,300)</u>
<b>Restricted Intergovernmental Revenues:</b>			
Federal and state grants	5,553,750	5,710,737	156,987
Controlled substance tax	10,000	11,808	1,808
Representative payee	160,000	110,629	(49,371)
Court facility fees	25,000	23,857	(1,143)
Total	<u>5,748,750</u>	<u>5,857,031</u>	<u>108,281</u>
<b>Permits and Fees:</b>			
Register of Deeds	486,000	459,041	(26,959)
Building inspections	400,000	429,066	29,066
Gun and concealed weapon permits	25,000	36,318	11,318
Other fees	339,876	558,121	218,245
Total	<u>1,250,876</u>	<u>1,482,546</u>	<u>231,670</u>

ALEXANDER COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Sales and Services:</b>			
Rents, concessions, and fees	162,320	179,883	17,563
Detention center fees	152,400	204,044	51,644
Ambulance fees	1,600,000	1,519,112	(80,888)
Parks and Recreation	56,200	85,262	29,062
Health department	1,270,000	1,410,443	140,443
Information technology	1,500	2,206	706
Social services	14,500	12,034	(2,466)
Senior center	6,000	7,353	1,353
License plate agency	166,000	188,646	22,646
Library	1,000	228	(772)
Animal services	45,000	44,823	(177)
Fines and Forfeitures	145,000	107,089	(37,911)
State payments - soil and water technical assistance	26,000	25,479	(521)
Total	<u>3,645,920</u>	<u>3,786,602</u>	<u>140,682</u>
<b>Investment Earnings</b>	<u>1,230,000</u>	<u>1,484,001</u>	<u>254,001</u>
<b>Miscellaneous:</b>			
Donations	36,495	53,808	17,313
Private Grants	168,435	8,780	(159,655)
Sale of capital assets	10,000	18,374	8,374
Other	116,086	155,137	39,051
Total	<u>331,016</u>	<u>236,099</u>	<u>(94,917)</u>
Total revenues	<u>53,500,234</u>	<u>54,629,527</u>	<u>1,129,293</u>
<b>Expenditures:</b>			
<b>General Government:</b>			
Governing body	827,065	663,992	163,073
Administration	467,467	435,961	31,506
Planning	314,046	283,838	30,208
Elections	349,873	333,903	15,970
Finance	1,038,395	943,269	95,126
Tax office	744,419	704,670	39,749
Legal	197,485	187,587	9,898
Information technology	1,233,943	1,205,558	28,385
Register of Deeds	538,501	478,015	60,486
License plate agency	199,475	197,779	1,696
Public buildings	1,292,792	1,205,801	86,991
Garage	484,567	401,400	83,167
Human resources	1,147,177	1,034,423	112,754
Court facilities	240,878	222,878	18,000
Total	<u>9,076,083</u>	<u>8,299,074</u>	<u>777,009</u>

ALEXANDER COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Public Safety:</b>			
Sheriff's office	4,869,040	4,585,606	283,434
Detention center	3,576,521	3,373,093	203,428
Pre-trial release program	168,963	152,333	16,630
RRS program	126,151	91,850	34,301
Fire/emergency services	881,640	804,317	77,323
Emergency communications	1,451,950	1,335,076	116,874
Forestry	67,526	61,246	6,280
Inspections	503,391	486,457	16,934
Emergency medical services	5,410,500	5,007,085	403,415
Medical examiner	50,000	34,250	15,750
Total	<u>17,105,682</u>	<u>15,931,313</u>	<u>1,174,369</u>
<b>Environmental Protection:</b>			
Soil and water	210,500	199,024	11,476
Animal services	638,354	560,599	77,755
Total	<u>848,854</u>	<u>759,623</u>	<u>89,231</u>
<b>Economic and Physical Development:</b>			
Economic development	307,657	297,907	9,750
Agricultural extension	272,538	266,601	5,937
Total	<u>580,195</u>	<u>564,508</u>	<u>15,687</u>
<b>Health Department:</b>			
Environmental health	571,550	544,883	26,667
General health	604,939	311,431	293,508
Maternal health	180,778	15,648	165,130
WIC program	171,854	169,422	2,432
Dental health	645,561	624,478	21,083
Family planning	192,165	251,662	(59,497)
Communicable disease	395,259	387,838	7,421
Health promotion	113,897	88,758	25,139
Child health	241,847	271,667	(29,820)
Preparedness	100,173	80,316	19,857
Care management for at-risk children	117,494	105,948	11,546
Care management for high-risk pregnancy	110,000	103,405	6,595
Behavioral health	153,586	143,594	9,992
COVID-19 crisis response	89,916	62,951	26,965
Primary care	245,520	278,687	(33,167)
Total	<u>3,934,539</u>	<u>3,440,688</u>	<u>493,851</u>

ALEXANDER COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Veterans Service</b>	94,057	90,867	3,190
<b>Juvenile Crime Prevention</b>	145,525	145,282	243
<b>Social Services Department:</b>			
Administration	6,564,483	5,989,053	575,430
Ward assistance	10,140	3,603	6,537
In-home services	42,920	29,027	13,893
Public assistance	159,650	158,020	1,630
Emergency assistance account	9,900	7,208	2,692
Medical assistance	20,250	8,418	11,832
General assistance	388,457	270,496	117,961
Foster care	781,604	513,065	268,539
Adoption Enhancement Fund	65,515	35,750	29,765
Work first	7,275	7,271	4
Representative Payee	160,000	117,154	42,846
Aging nutrition	160,766	125,140	35,626
Total	<u>8,370,960</u>	<u>7,264,205</u>	<u>1,106,755</u>
Special appropriations	853,556	749,104	104,452
Senior center	267,597	252,896	14,701
Total human services	<u>13,666,234</u>	<u>11,943,042</u>	<u>1,723,192</u>
<b>Cultural and Recreation:</b>			
Recreation	421,609	387,969	33,640
County Parks	469,692	389,066	80,626
Library	753,679	699,455	54,224
Total	<u>1,644,980</u>	<u>1,476,490</u>	<u>168,490</u>
<b>Education:</b>			
<b>Alexander County Board of Education:</b>			
Current expenses	7,383,428	7,383,428	-
<b>CVCC - Alexander County:</b>			
Current expenses	128,000	122,484	5,516
Adult Basic Education Academy	22,000	22,000	-
Total	<u>150,000</u>	<u>144,484</u>	<u>5,516</u>
<b>Fines and forfeitures:</b>	145,000	107,089	37,911
Total education	<u>7,678,428</u>	<u>7,635,001</u>	<u>43,427</u>

ALEXANDER COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Debt Service:</b>			
Principal retirement	1,020,129	1,016,391	3,738
Interest and fees	33,579	32,879	700
Total	<u>1,053,708</u>	<u>1,049,270</u>	<u>4,438</u>
<b>Contingency</b>	<u>165,500</u>	<u>-</u>	<u>165,500</u>
Total expenditures	<u>51,819,664</u>	<u>47,658,321</u>	<u>4,161,343</u>
Revenues over (under) expenditures	<u>1,680,570</u>	<u>6,971,206</u>	<u>5,290,636</u>
<b>Other Financing Sources (Uses):</b>			
Lease liabilities issued	41,000	-	(41,000)
Subscriptions issued	85,000	82,580	(2,420)
Transfers in:			
Special revenue funds	329,375	329,375	-
Transfers out:			
Special revenue funds	(74,558)	(74,557)	1
Capital project funds	(5,223,000)	(5,017,679)	205,321
Enterprise funds	(816,999)	(789,487)	27,512
Appropriated fund balance	<u>3,978,612</u>	<u>-</u>	<u>(3,978,612)</u>
Total	<u>(1,680,570)</u>	<u>(5,469,768)</u>	<u>(3,789,198)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,501,438</u>	<u>\$ 1,501,438</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>25,006,616</u>	
End of year - June 30		<u>\$ 26,508,054</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, 2024

	<u>Budget</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
<b>Revenues:</b>				
American Rescue Plan Act funds	\$ 7,283,353	\$ 244,564	\$ 81,401	\$ 325,965
Investment earnings	<u>50,000</u>	<u>24,079</u>	<u>28,225</u>	<u>52,304</u>
Total revenues	<u>7,333,353</u>	<u>268,643</u>	<u>109,626</u>	<u>378,269</u>
<b>Expenditures:</b>				
Broadband infrastructure expenses	<u>142,585</u>	<u>92,584</u>	<u>-</u>	<u>92,584</u>
Revenues over (under) expenditures	7,190,768	176,059	109,626	285,685
<b>Other Financing Sources (Uses):</b>				
Transfers out:				
County Water and Sewer Capital Project Fund	<u>(7,190,768)</u>	<u>(151,980)</u>	<u>(81,400)</u>	<u>(233,380)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 24,079</u>	<u>\$ 28,226</u>	<u>\$ 52,305</u>

## ALEXANDER COUNTY, NORTH CAROLINA

## MAJOR SPECIAL REVENUE FUND

## OPIOID SETTLEMENT FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Opioid settlement funds	\$ 202,000	\$ 901,628	\$ 699,628
Investment earnings	-	41,833	41,833
Total revenues	<u>202,000</u>	<u>943,461</u>	<u>741,461</u>
<b>Expenditures:</b>			
Public safety			
Salaries and benefits	96,077	68,838	27,239
Operating expenditures	115,923	112,939	2,984
Total expenditures	<u>212,000</u>	<u>181,777</u>	<u>30,223</u>
Revenues over (under) expenditures	(10,000)	761,684	771,684
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>10,000</u>	-	<u>(10,000)</u>
Net change in fund balance	<u>\$ -</u>	761,684	<u>\$ 761,684</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>438,818</u>	
End of year - June 30		<u>\$ 1,200,502</u>	

## 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, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
State lottery revenue	\$ 129,557	\$ 128,267	\$ (1,290)
Public School Building Capital Fund Needs Based	6,654,337	3,038,547	(3,615,790)
Investment earnings	195,000	411,306	216,306
Total revenues	<u>6,978,894</u>	<u>3,578,120</u>	<u>(3,400,774)</u>
<b>Expenditures:</b>			
Education	10,257,894	4,438,856	5,819,038
Contingency	12,000	-	12,000
Total expenditures	<u>10,269,894</u>	<u>4,438,856</u>	<u>5,831,038</u>
Revenues over (under) expenditures	(3,291,000)	(860,736)	2,430,264
<b>Other Financing Sources (Uses):</b>			
Transfers in	<u>3,291,000</u>	<u>3,085,679</u>	<u>(205,321)</u>
Net change in fund balance	<u>\$ -</u>	2,224,943	<u>\$ 2,224,943</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>7,256,372</u>	
End of year - June 30		<u>\$ 9,481,315</u>	

## ALEXANDER COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2024**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Project Funds</b>	<b>Total</b>
<b>Assets:</b>			
Cash and investments	\$ 520,958	\$ 1,821,573	\$ 2,342,531
Taxes receivable, net	101,414	-	101,414
Due from other governments	27,362	45,253	72,615
Cash and investments, restricted	432,520	750,176	1,182,696
Total assets	<u>\$ 1,082,254</u>	<u>\$ 2,617,002</u>	<u>\$ 3,699,256</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 12,825	\$ 166,657	\$ 179,482
Due to other funds	6,234	-	6,234
Advance from grantor	-	750,000	750,000
Liabilities payable from restricted assets:			
Payables	965	-	965
Total liabilities	<u>20,024</u>	<u>916,657</u>	<u>936,681</u>
<b>Deferred Inflows of Resources:</b>			
Taxes receivable	101,414	-	101,414
Unavailable revenues	-	45,253	45,253
Total deferred inflows of resources	<u>101,414</u>	<u>45,253</u>	<u>146,667</u>
<b>Fund Balances:</b>			
Restricted:			
Stabilization by state statute	27,362	-	27,362
Restricted for public safety	446,832	176	447,008
Restricted for general government	692	-	692
Committed for tax revaluation	430,475	-	430,475
Committed for cultural and recreation	-	1,600,169	1,600,169
Committed for general government	74,126	54,747	128,873
Unassigned	(18,671)	-	(18,671)
Total fund balances	<u>960,816</u>	<u>1,655,092</u>	<u>2,615,908</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,082,254</u>	<u>\$ 2,617,002</u>	<u>\$ 3,699,256</u>

## ALEXANDER COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Project Funds</b>	<b>Total</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 2,282,232	\$ -	\$ 2,282,232
Other taxes and licenses	98,421	-	98,421
Intergovernmental revenues	1,104,387	300,000	1,404,387
Investment earnings	22,488	176	22,664
Total revenues	<u>3,507,528</u>	<u>300,176</u>	<u>3,807,704</u>
<b>Expenditures:</b>			
Public safety	2,349,517	-	2,349,517
General government	188,355	295,465	483,820
Cultural and recreation	-	773,463	773,463
Environmental protection	335,069	-	335,069
Economic and physical development	26,322	-	26,322
Total expenditures	<u>2,899,263</u>	<u>1,068,928</u>	<u>3,968,191</u>
Revenues over (under) expenditures	<u>608,265</u>	<u>(768,752)</u>	<u>(160,487)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	74,557	2,317,499	2,392,056
Transfers out	(714,873)	-	(714,873)
Total other financing sources (uses)	<u>(640,316)</u>	<u>2,317,499</u>	<u>1,677,183</u>
Net change in fund balances	(32,051)	1,548,747	1,516,696
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>992,867</u>	<u>106,345</u>	<u>1,099,212</u>
End of year - June 30	<u>\$ 960,816</u>	<u>\$ 1,655,092</u>	<u>\$ 2,615,908</u>

ALEXANDER COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2024

	<u>Special Revenue Funds</u>			
	<u>Fire Districts Fund</u>	<u>Revaluation Fund</u>	<u>Emergency Telephone System Fund</u>	<u>Paragon Films Rail Infrastructure Project</u>
<b>Assets:</b>				
Cash and investments	\$ 41,430	\$ -	\$ 405,402	\$ 74,126
Taxes receivable, net	101,414	-	-	-
Due from other governments	19,160	-	8,202	-
Cash and investments, restricted	-	431,828	-	-
<b>Total assets</b>	<u>\$ 162,004</u>	<u>\$ 431,828</u>	<u>\$ 413,604</u>	<u>\$ 74,126</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 388	\$ -	\$ -
Due to other funds	-	-	-	-
Payables	-	965	-	-
<b>Total liabilities</b>	<u>-</u>	<u>1,353</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>				
Taxes receivable	<u>101,414</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Restricted:				
Stabilization by state statute	19,160	-	8,202	-
Restricted for public safety	41,430	-	405,402	-
Restricted for general government	-	-	-	-
Committed	-	430,475	-	74,126
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>60,590</u>	<u>430,475</u>	<u>413,604</u>	<u>74,126</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 162,004</u>	<u>\$ 431,828</u>	<u>\$ 413,604</u>	<u>\$ 74,126</u>

ALEXANDER COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2024

	<u>Special Revenue Funds</u>		
	<u>2022 State Appropriation Act Grant Fund</u>	<u>2021 CDBG Neighborhood Revitalization Program</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Assets:</b>			
Cash and investments	\$ -	\$ -	\$ 520,958
Taxes receivable, net	-	-	101,414
Due from other governments	-	-	27,362
Cash and investments, restricted	692	-	432,520
Total assets	<u>\$ 692</u>	<u>\$ -</u>	<u>\$ 1,082,254</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ 12,437	\$ 12,825
Due to other funds	-	6,234	6,234
Payables	-	-	965
Total liabilities	<u>-</u>	<u>18,671</u>	<u>20,024</u>
<b>Deferred Inflows of Resources:</b>			
Taxes receivable	<u>-</u>	<u>-</u>	<u>101,414</u>
<b>Fund Balances:</b>			
Restricted:			
Stabilization by state statute	-	-	27,362
Restricted for public safety	-	-	446,832
Restricted for general government	692	-	692
Committed	-	-	504,601
Unassigned	-	(18,671)	(18,671)
Total fund balances	<u>692</u>	<u>(18,671)</u>	<u>960,816</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 692</u>	<u>\$ -</u>	<u>\$ 1,082,254</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, 2024

	<b>Special Revenue Funds</b>				
	<b>Fire Districts Fund</b>	<b>Revaluation Fund</b>	<b>Emergency Telephone System Fund</b>	<b>Soil and Water State Emergency Disaster Funds - Stream Debris Removal</b>	<b>Paragon Films Rail Infrastructure Project</b>
<b>Revenues:</b>					
Ad valorem taxes	\$ 2,039,232	\$ 243,000	\$ -	\$ -	\$ -
Other taxes and licenses	-	-	98,421	-	-
Intergovernmental revenues	-	-	-	-	-
Investment earnings	-	21,617	374	-	-
Total revenues	<u>2,039,232</u>	<u>264,617</u>	<u>98,795</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>					
Public safety	2,179,643	-	169,874	-	-
General government	-	188,355	-	-	-
Environmental protection	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Total expenditures	<u>2,179,643</u>	<u>188,355</u>	<u>169,874</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(140,411)</u>	<u>76,262</u>	<u>(71,079)</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	431	-	74,126
Transfers (out)	-	-	-	(1,556)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>431</u>	<u>(1,556)</u>	<u>74,126</u>
Net change in fund balances	(140,411)	76,262	(70,648)	(1,556)	74,126
<b>Fund Balances:</b>					
Beginning of year - July 1	<u>201,001</u>	<u>354,213</u>	<u>484,252</u>	<u>1,556</u>	<u>-</u>
End of year - June 30	<u>\$ 60,590</u>	<u>\$ 430,475</u>	<u>\$ 413,604</u>	<u>\$ -</u>	<u>\$ 74,126</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, 2024

	<u>Special Revenue Funds</u>				<u>Total Nonmajor Special Revenue Funds</u>
	<u>Soil &amp; Water Streamflow Rehab Assistance (StRAP)</u>	<u>2022 State Appropriation Act Grant Fund</u>	<u>Hancock &amp; Moore Building Reuse Project</u>	<u>2021 CDBG Neighborhood Revitalization Program</u>	
<b>Revenues:</b>					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,282,232
Other taxes and licenses	-	-	-	-	98,421
Intergovernmental revenues	384,237	712,499	7,651	-	1,104,387
Investment earnings	-	497	-	-	22,488
Total revenues	<u>384,237</u>	<u>712,996</u>	<u>7,651</u>	<u>-</u>	<u>3,507,528</u>
<b>Expenditures:</b>					
Public safety	-	-	-	-	2,349,517
General government	-	-	-	-	188,355
Environmental protection	335,069	-	-	-	335,069
Economic and physical development	-	-	7,651	18,671	26,322
Total expenditures	<u>335,069</u>	<u>-</u>	<u>7,651</u>	<u>18,671</u>	<u>2,899,263</u>
Revenues over (under) expenditures	<u>49,168</u>	<u>712,996</u>	<u>-</u>	<u>(18,671)</u>	<u>608,265</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	-	74,557
Transfers (out)	<u>(818)</u>	<u>(712,499)</u>	<u>-</u>	<u>-</u>	<u>(714,873)</u>
Total other financing sources (uses)	<u>(818)</u>	<u>(712,499)</u>	<u>-</u>	<u>-</u>	<u>(640,316)</u>
Net change in fund balances	48,350	497	-	(18,671)	(32,051)
<b>Fund Balances:</b>					
Beginning of year - July 1	<u>(48,350)</u>	<u>195</u>	<u>-</u>	<u>-</u>	<u>992,867</u>
End of year - June 30	<u>\$ -</u>	<u>\$ 692</u>	<u>\$ -</u>	<u>\$ (18,671)</u>	<u>\$ 960,816</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, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 1,983,250	\$ 2,039,232	\$ 55,982
<b>Expenditures:</b>			
Public safety:			
Bethlehem Fire District	568,319	568,319	-
Wittenburg Fire District	337,257	337,257	-
Hiddenite Fire District	290,598	290,598	-
East Alexander Fire District	205,116	205,116	-
Ellendale Fire District	226,881	224,340	2,541
Sugarloaf Fire District	191,353	189,291	2,062
Central Alexander Fire District	248,678	248,678	-
Vashti Fire District	116,044	116,044	-
Total expenditures	<u>2,184,246</u>	<u>2,179,643</u>	<u>4,603</u>
Revenues over (under) expenditures	(200,996)	(140,411)	60,585
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>200,996</u>	<u>-</u>	<u>(200,996)</u>
Net change in fund balance	<u>\$ -</u>	<u>(140,411)</u>	<u>\$ (140,411)</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>201,001</u>	
End of year - June 30		<u>\$ 60,590</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, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 243,000	\$ 243,000	\$ -
Investment earnings	17,000	21,617	4,617
Total revenues	<u>260,000</u>	<u>264,617</u>	<u>4,617</u>
<b>Expenditures:</b>			
General government	<u>260,000</u>	<u>188,355</u>	<u>71,645</u>
Net change in fund balance	<u>\$ -</u>	<u>76,262</u>	<u>\$ 76,262</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>354,213</u>	
End of year - June 30		<u>\$ 430,475</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, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Other taxes and licenses	\$ 98,421	\$ 98,421	\$ -
Investment earnings	240	374	134
Total revenues	<u>98,661</u>	<u>98,795</u>	<u>134</u>
<b>Expenditures:</b>			
Public safety:			
Telephone	17,880	15,549	2,331
Furniture	86,000	83,164	2,836
Software and software maintenance	82,007	37,879	44,128
Hardware and hardware maintenance	35,128	32,197	2,931
Training	1,500	1,085	415
Grant expenditures	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Total expenditures	<u>262,515</u>	<u>169,874</u>	<u>92,641</u>
Revenues over (under) expenditures	<u>(163,854)</u>	<u>(71,079)</u>	<u>92,775</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	432	431	(1)
Appropriated fund balance	<u>163,422</u>	<u>-</u>	<u>(163,422)</u>
Total other financing sources (uses)	<u>163,854</u>	<u>431</u>	<u>(163,423)</u>
Net change in fund balance	<u>\$ -</u>	<u>(70,648)</u>	<u>\$ (70,648)</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>484,252</u>	
End of year - June 30		413,604	
<b>PSAP Reconciliation:</b>			
Amounts reported on the Emergency Telephone System Fund budget to actual are different from the PSAP revenue - expenditure report because:			
Rounding difference due to audit software rounding to whole dollars for financial statement preparation.		<u>3</u>	
Ending balance, PSAP Revenue-Expenditure Report		<u>\$ 413,607</u>	

## 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, 2024

	<u>Budget</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
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>179,037</u>	<u>-</u>	<u>179,037</u>
<b>Expenditures:</b>				
Environmental protection:				
Construction	157,441	157,441	-	157,441
Administration	24,040	24,040	-	24,040
Total expenditures	<u>181,481</u>	<u>181,481</u>	<u>-</u>	<u>181,481</u>
Revenues over (under) expenditures	<u>(2,444)</u>	<u>(2,444)</u>	<u>-</u>	<u>(2,444)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in:				
General Fund	4,000	4,000	-	4,000
Transfers out:				
General Fund	<u>(1,556)</u>	<u>-</u>	<u>(1,556)</u>	<u>(1,556)</u>
Total other financing sources (uses)	<u>2,444</u>	<u>4,000</u>	<u>(1,556)</u>	<u>2,444</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,556</u>	<u>\$ (1,556)</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, 2024**

	<u>Budget</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
<b>Revenues:</b>				
Construction grant - NCDACS	\$ 335,000	\$ -	\$ 335,000	\$ 335,000
Admin grant - NCDACS	49,805	-	49,237	49,237
Total revenues	<u>384,805</u>	<u>-</u>	<u>384,237</u>	<u>384,237</u>
<b>Expenditures:</b>				
Environmental protection:				
Construction	335,000	-	335,000	335,000
Administration	48,986	48,350	69	48,419
Total expenditures	<u>383,986</u>	<u>48,350</u>	<u>335,069</u>	<u>383,419</u>
Revenues over (under) expenditures	819	(48,350)	49,168	818
<b>Other Financing Sources (Uses):</b>				
Transfers out:				
General Fund	<u>(819)</u>	<u>-</u>	<u>(818)</u>	<u>(818)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (48,350)</u>	<u>\$ 48,350</u>	<u>\$ -</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, 2024**

	<b>Budget</b>	<b>Actual</b>		<b>Total to Date</b>
		<b>Prior Years</b>	<b>Current Year</b>	
<b>Revenues:</b>				
2022 State Appropriations Act - OSBM	\$ 750,000	\$ 37,501	\$ 712,499	\$ 750,000
Investment earnings	-	195	497	692
Total revenues	<u>750,000</u>	<u>37,696</u>	<u>712,996</u>	<u>750,692</u>
Revenues over (under) expenditures	<u>750,000</u>	<u>37,696</u>	<u>712,996</u>	<u>750,692</u>
<b>Other Financing Sources (Uses):</b>				
General Fund	(327,000)	-	(327,000)	(327,000)
Capital Projects Fund	<u>(423,000)</u>	<u>(37,501)</u>	<u>(385,499)</u>	<u>(423,000)</u>
Total other financing sources (uses)	<u>(750,000)</u>	<u>(37,501)</u>	<u>(712,499)</u>	<u>(750,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 195</u>	<u>\$ 497</u>	<u>\$ 692</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, 2024**

	<u>Budget</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
<b>Revenues:</b>				
NC Department of Commerce	\$ 80,000	\$ 32,349	\$ 7,651	\$ 40,000
<b>Expenditures:</b>				
Economic and physical development:				
Building renovation	80,000	32,349	7,651	40,000
Grant administration	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total expenditures	<u>84,000</u>	<u>36,349</u>	<u>7,651</u>	<u>44,000</u>
Revenues over (under) expenditures	(4,000)	(4,000)	-	(4,000)
<b>Other Financing Sources (Uses):</b>				
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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



## ALEXANDER COUNTY, NORTH CAROLINA

**2021 CDBG NEIGHBORHOOD REVITALIZATION PROGRAM  
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
<b>Revenues:</b>				
CDBG grant	\$ 645,044	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Economic and physical development:				
Administration	58,640	-	18,671	18,671
Street improvements	276,404	-	-	-
Rehab of privately-owned dwellings	310,000	-	-	-
Total expenditures	<u>645,044</u>	<u>-</u>	<u>18,671</u>	<u>18,671</u>
Net change in fund balance	\$ -	\$ -	\$ (18,671)	\$ (18,671)

## ALEXANDER COUNTY, NORTH CAROLINA

**PARAGON FILMS RAIL INFRASTRUCTURE PROJECT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
<b>Revenues:</b>				
NC Department of Transportation Grant	\$ 143,539	\$ -	\$ -	\$ -
CDBG Grant	222,375	-	-	-
Total revenues	<u>365,914</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Professional services	410,111	-	-	-
Administration	29,929	-	-	-
Total expenditures	<u>440,040</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	(74,126)	-	-	-
<b>Other Financing Sources (Uses):</b>				
Transfers in:				
General Fund	<u>74,126</u>	<u>-</u>	<u>74,126</u>	<u>74,126</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,126</u>	<u>\$ 74,126</u>

## ALEXANDER COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2024

	<b>Park Improvements Capital Project Fund</b>	<b>16 West Main Avenue Downtown Revitalization Project Fund</b>	<b>2023 State Appropriation Act Grant Fund</b>	<b>Total Nonmajor Capital Project Funds</b>
<b>Assets:</b>				
Cash and investments	\$ 1,766,826	\$ 54,747	\$ -	\$ 1,821,573
Due from other governments	-	45,253	-	45,253
Cash and investments, restricted	-	-	750,176	750,176
Total assets	<u>\$ 1,766,826</u>	<u>\$ 100,000</u>	<u>\$ 750,176</u>	<u>\$ 2,617,002</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 166,657	\$ -	\$ -	\$ 166,657
Advance from grantor	-	-	750,000	750,000
Total liabilities	<u>166,657</u>	<u>-</u>	<u>750,000</u>	<u>916,657</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	45,253	-	45,253
<b>Fund Balances:</b>				
Restricted:				
Restricted for public safety	-	-	176	176
Committed	1,600,169	54,747	-	1,654,916
Total fund balances	<u>1,600,169</u>	<u>54,747</u>	<u>176</u>	<u>1,655,092</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,766,826</u>	<u>\$ 100,000</u>	<u>\$ 750,176</u>	<u>\$ 2,617,002</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, 2024**

	<b>Park Improvements Capital Project Fund</b>	<b>16 West Main Avenue Downtown Revitalization Project Fund</b>	<b>2023 State Appropriation Act Grant Fund</b>	<b>Total Nonmajor Capital Project Funds</b>
<b>Revenues:</b>				
Intergovernmental revenues	\$ -	\$ -	\$ 300,000	\$ 300,000
Investment earnings	-	-	176	176
Total revenues	<u>-</u>	<u>-</u>	<u>300,176</u>	<u>300,176</u>
<b>Expenditures:</b>				
General government	-	(4,535)	300,000	295,465
Cultural and recreation	773,463	-	-	773,463
Total expenditures	<u>773,463</u>	<u>(4,535)</u>	<u>300,000</u>	<u>1,068,928</u>
Revenues over (under) expenditures	<u>(773,463)</u>	<u>4,535</u>	<u>176</u>	<u>(768,752)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	<u>2,317,499</u>	<u>-</u>	<u>-</u>	<u>2,317,499</u>
Net change in fund balances	1,544,036	4,535	176	1,548,747
<b>Fund Balances:</b>				
Beginning of year - July 1	<u>56,133</u>	<u>50,212</u>	<u>-</u>	<u>106,345</u>
End of year - June 30	<u>\$ 1,600,169</u>	<u>\$ 54,747</u>	<u>\$ 176</u>	<u>\$ 1,655,092</u>

## ALEXANDER COUNTY, NORTH CAROLINA

**2023 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, 2024**

	<u>Budget</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
<b>Revenues:</b>				
2023 State Appropriations Act - OSBM	\$ 1,050,000	\$ -	\$ 300,000	\$ 300,000
Investment earnings	-	-	176	176
Total revenues	<u>1,050,000</u>	<u>-</u>	<u>300,176</u>	<u>300,176</u>
<b>Expenditures:</b>				
Public safety:				
Capital outlay - EMS building	750,000	-	-	-
General government:				
Community grants	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>
Total expenditures	<u>1,050,000</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176</u>	<u>\$ 176</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, 2024**

	<b>Budget</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
<b>Revenues:</b>				
Contributions	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Construction/renovation costs	2,363,075	148,042	696,248	844,290
Professional/technical services	281,400	122,801	77,215	200,016
Total expenditures	<u>2,644,475</u>	<u>270,843</u>	<u>773,463</u>	<u>1,044,306</u>
Revenues over (under) expenditures	<u>(2,644,475)</u>	<u>(270,843)</u>	<u>(773,463)</u>	<u>(1,044,306)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in:				
Special revenue funds	423,000	37,501	385,499	423,000
General Fund	2,221,475	289,475	1,932,000	2,221,475
Total other financing sources (uses)	<u>2,644,475</u>	<u>326,976</u>	<u>2,317,499</u>	<u>2,644,475</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 56,133</u>	<u>\$ 1,544,036</u>	<u>\$ 1,600,169</u>

## ALEXANDER COUNTY, NORTH CAROLINA

**16 WEST MAIN AVENUE DOWNTOWN REVITALIZATION PROJECT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
<b>Revenues:</b>				
NCDOC - Rural Transformation grant	\$ 650,000	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
General government:				
Building rehab/construction (grant)	650,000	44,053	1,200	45,253
Building rehab/construction	67,500	-	-	-
Grant administration	32,500	5,735	(5,735)	-
Total expenditures	<u>750,000</u>	<u>49,788</u>	<u>(4,535)</u>	<u>45,253</u>
Revenues over (under) expenditures	(100,000)	(49,788)	4,535	(45,253)
<b>Other Financing Sources (Uses):</b>				
Transfers in:				
General Fund	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 50,212</u>	<u>\$ 4,535</u>	<u>\$ 54,747</u>

## 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, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Operating revenues:			
Water revenues	\$ 4,247,000	\$ 4,047,919	\$ (199,081)
Sewer revenues	358,000	347,292	(10,708)
Non-operating revenues:			
Investment earnings	165,000	258,222	93,222
Other non-operating revenues	-	4,296	4,296
Total revenues	<u>4,770,000</u>	<u>4,657,729</u>	<u>(112,271)</u>
<b>Expenditures:</b>			
Water and distribution	3,759,760	2,578,716	1,181,044
Capital outlay	896,240	224,774	671,466
Budgetary appropriations:			
Contingency	136,125	-	136,125
Debt principal	888,000	862,925	25,075
Interest and fees paid	101,000	94,960	6,040
Total expenditures	<u>5,781,125</u>	<u>3,761,375</u>	<u>2,019,750</u>
Revenues over (under) expenditures	<u>(1,011,125)</u>	<u>896,354</u>	<u>1,907,479</u>
<b>Other Financing Sources (Uses):</b>			
Transfer from Bethlehem Water Fund	-	7,777,776	7,777,776
Transfer from Bethlehem Sewer Fund	-	1,731,317	1,731,317
Transfer from General Fund	600,000	572,487	(27,513)
Transfer from Water Capital Projects Fund	411,125	411,125	-
Total other financing sources (uses)	<u>1,011,125</u>	<u>10,492,705</u>	<u>9,481,580</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 11,389,059</u>	<u>\$ 11,389,059</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 11,389,059	
Reconciling items:			
Capital contributions - capital project grants		26,874	
Capital project transfers from Special Revenue Fund		81,400	
Capital project transfer from Water Capital Projects Fund		(411,125)	
Capital outlay		224,774	
Debt principal		862,925	
Depreciation		(1,426,524)	
Change in accrued interest		1,929	
Change in net position		<u>\$ 10,749,312</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, 2024

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Water Line Extension Project:</b>				
<b>Expenditures:</b>				
Engineering design, ER/Environmental preparation	\$ 340,710	\$ 340,710	\$ -	\$ 340,710
Funding administration/other	30,000	30,000	-	30,000
Loan fee	106,599	106,599	-	106,599
Water line construction and administration	4,490,619	4,490,617	-	4,490,617
Total expenditures	<u>4,967,928</u>	<u>4,967,926</u>	<u>-</u>	<u>4,967,926</u>
Revenues over (under) expenditures	<u>(4,967,928)</u>	<u>(4,967,926)</u>	<u>-</u>	<u>(4,967,926)</u>
<b>Other Financing Sources (Uses):</b>				
Long-term debt issued	5,059,974	4,640,812	419,160	5,059,972
Transfer to County W&S Fund	(550,067)	(138,942)	(411,125)	(550,067)
Transfer from County W&S Fund	458,021	458,021	-	458,021
Total other financing sources (uses)	<u>4,967,928</u>	<u>4,959,891</u>	<u>8,035</u>	<u>4,967,926</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (8,035)</u>	<u>\$ 8,035</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, 2024

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Expenditures:</b>				
Professional/technical services	\$ 600,000	\$ 151,980	\$ 81,400	\$ 233,380
Water line construction	<u>6,590,768</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>7,190,768</u>	<u>151,980</u>	<u>81,400</u>	<u>233,380</u>
Revenues over (under) expenditures	(7,190,768)	(151,980)	(81,400)	(233,380)
<b>Other Financing Sources (Uses):</b>				
Transfer from ARPA grant project fund	<u>7,190,768</u>	<u>151,980</u>	<u>81,400</u>	<u>233,380</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, 2024

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues:</b>				
NC Department of Environmental Quailty	\$ 226,165	\$ -	\$ -	\$ -
Appalachian Regional Commission	226,165	33,906	26,874	60,780
Total revenues	<u>452,330</u>	<u>33,906</u>	<u>26,874</u>	<u>60,780</u>
<b>Expenditures:</b>				
Environmental review	5,000	-	-	-
Administration	25,000	13,095	11,905	25,000
Construction	422,330	20,811	14,969	35,780
Total expenditures	<u>452,330</u>	<u>33,906</u>	<u>26,874</u>	<u>60,780</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## 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, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Other Financing Sources (Uses):</b>			
Transfer to County Water and Sewer Fund	\$ (7,777,776)	\$ (7,777,776)	\$ -
Appropriated fund balance	<u>7,777,776</u>	<u>-</u>	<u>(7,777,776)</u>
Total other financing sources (uses)	<u>-</u>	<u>(7,777,776)</u>	<u>(7,777,776)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (7,777,776)</u>	<u>\$ (7,777,776)</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Change in net position		<u>\$ (7,777,776)</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, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Operating revenues:			
Landfill	\$ 2,010,000	\$ 1,831,931	\$ (178,069)
Convenience center	290,500	279,100	(11,400)
Non-operating revenues:			
Intergovernmental revenues	132,000	130,723	(1,277)
Grant revenue	-	724	724
Miscellaneous revenue	40,000	-	(40,000)
Total revenues	<u>2,472,500</u>	<u>2,242,478</u>	<u>(230,022)</u>
<b>Expenditures:</b>			
Convenience centers	232,110	208,531	23,579
Landfill operations	1,971,390	1,939,687	31,703
Capital outlay	375,000	364,103	10,897
Debt principal	25,835	24,202	1,633
Interest and fees paid	165	165	-
Total expenditures	<u>2,604,500</u>	<u>2,536,688</u>	<u>67,812</u>
Revenues over (under) expenditures	<u>(132,000)</u>	<u>(294,210)</u>	<u>(162,210)</u>
<b>Other Financing Sources (Uses):</b>			
Lease liabilities issued	65,000	60,093	(4,907)
Transfers from General Fund	67,000	67,000	-
Total other financing sources (uses)	<u>132,000</u>	<u>127,093</u>	<u>(4,907)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (167,117)</u>	<u>\$ (167,117)</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (167,117)	
Reconciling items:			
Capital outlay capitalized		364,103	
Lease liabilities issued		(60,093)	
Change in deferred outflows of resources - pension		30,811	
Change in net pension liability		(69,202)	
Change in deferred inflows of resources - pension		2,533	
Change in compensated absences		(49)	
Change in OPEB liability		22,732	
Change in deferred outflows of resources - OPEB		(24,255)	
Change in deferred inflows of resources - OPEB		39,118	
Debt principal payments - leases		24,202	
Change in accrued interest - leases		(956)	
Amortization - leases		(12,622)	
Depreciation		<u>(77,044)</u>	
Change in net position		<u>\$ 72,161</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, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Non-operating revenues:			
Investment earnings	\$ 950	\$ 1,260	\$ 310
<b>Expenditures:</b>			
Monitoring	150,000	73,409	76,591
Contingencies	950	-	950
Total expenditures	<u>150,950</u>	<u>73,409</u>	<u>77,541</u>
Revenues over (under) expenditures	(150,000)	(72,149)	77,851
<b>Other Financing Sources (Uses):</b>			
Transfer in - General Fund	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 77,851</u>	<u>\$ 77,851</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 77,851	
Reconciling items:			
(Increase)/decrease in accrued landfill closure and post-closure care costs		<u>(451,350)</u>	
Change in net position		<u>\$ (373,499)</u>	

## 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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Other Financing Sources (Uses):</b>			
Transfer out - County Water and Sewer Fund	\$ (6,718,608)	\$ (1,731,317)	\$ 4,987,291
Appropriated fund balance	<u>6,718,608</u>	<u>-</u>	<u>(6,718,608)</u>
Total other financing sources (uses)	<u>-</u>	<u>(1,731,317)</u>	<u>(1,731,317)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (1,731,317)</u>	<u>\$ (1,731,317)</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Change in net position		<u>\$ (1,731,317)</u>	

## ALEXANDER COUNTY, NORTH CAROLINA

## COMBINING STATEMENT OF FIDUCIARY NET POSITION

## CUSTODIAL FUNDS

JUNE 30, 2024

	<b>Municipal Tax Fund</b>	<b>Sheriff's Civil Executions Fund</b>	<b>Jail Inmate Pay Fund</b>	<b>Total Custodial Funds</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 6,369	\$ -	\$ 10,664	\$ 17,033
Taxes receivable for other governments, net	25,800	-	-	25,800
Total assets	<u>32,169</u>	<u>-</u>	<u>10,664</u>	<u>42,833</u>
<b>Liabilities:</b>				
Accounts payable	-	-	7,449	7,449
Due to other governments	10,533	-	-	10,533
Total liabilities	<u>10,533</u>	<u>-</u>	<u>7,449</u>	<u>17,982</u>
<b>Net Position:</b>				
Restricted for:				
Individuals, organizations and other governments	21,636	-	3,215	24,851
Total net position	<u>\$ 21,636</u>	<u>\$ -</u>	<u>\$ 3,215</u>	<u>\$ 24,851</u>



## ALEXANDER COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2024

	<u>Municipal Tax Fund</u>	<u>Sheriff's Civil Executions Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
<b>Additions:</b>				
Property taxes collected for other governments	\$ 916,965	\$ -	\$ -	\$ 916,965
Collections on behalf of individuals/organizations	-	16,866	220,784	237,650
Total additions	<u>916,965</u>	<u>16,866</u>	<u>220,784</u>	<u>1,154,615</u>
<b>Deductions:</b>				
Property taxes distributed to other governments	922,621	-	-	922,621
Payments on behalf of individuals/organizations	-	16,866	220,960	237,826
Total deductions	<u>922,621</u>	<u>16,866</u>	<u>220,960</u>	<u>1,160,447</u>
Net increase (decrease) in fiduciary net position	(5,656)	-	(176)	(5,832)
Net position, beginning	<u>27,292</u>	<u>-</u>	<u>3,391</u>	<u>30,683</u>
Net position, ending	<u>\$ 21,636</u>	<u>\$ -</u>	<u>\$ 3,215</u>	<u>\$ 24,851</u>

## ALEXANDER COUNTY, NORTH CAROLINA

**GENERAL FUND**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**JUNE 30, 2024**

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2023</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2024</u>
2024	\$ -	\$ 27,204,152	\$ 26,413,329	\$ 790,823
2023	521,264	-	253,691	267,573
2022	254,311	-	87,738	166,573
2021	158,936	-	47,559	111,377
2020	109,028	-	33,976	75,052
2019	72,062	-	14,067	57,995
2018	59,646	-	19,670	39,976
2017	42,944	-	10,762	32,182
2016	35,008	-	8,719	26,289
2015	20,930	-	5,369	15,561
2014	25,813	-	25,813	-
Total	<u>\$ 1,299,942</u>	<u>\$ 27,204,152</u>	<u>\$ 26,920,693</u>	1,583,401
Less: allowance for uncollectible ad valorem taxes receivable:				
General Fund				<u>314,280</u>
<b>Ad Valorem Taxes Receivable, net:</b>				
General Fund				<u>\$ 1,269,121</u>
<b>Reconciliation of Collections and Credits with Revenues:</b>				
Ad valorem taxes - General Fund			\$ 26,922,301	
Ad valorem taxes - Revaluation Fund			243,000	
Penalties collected on ad valorem taxes - Custodial Fund			<u>17,753</u>	
Total ad valorem taxes			27,183,054	
Reconciling items:				
Interest and penalties collected			(190,605)	
Tax refunds			12,417	
Adjustment due to Motor Vehicle Property Tax Rate Change			(106,965)	
Miscellaneous adjustments			(3,021)	
Amounts written off for tax year 2014 per Statute of Limitations			<u>25,813</u>	
Total collections and credits			<u>\$ 26,920,693</u>	

## ALEXANDER COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY  
COUNTY-WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2024

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>Original Levy:</b>					
County-wide:					
Property tax	\$ 4,059,649,389	\$ 0.670	\$ 27,199,651	\$ 24,407,315	\$ 2,792,336
Late list penalties	-		17,762	17,762	-
Total original levy	<u>4,059,649,389</u>		<u>27,217,413</u>	<u>24,425,077</u>	<u>2,792,336</u>
<b>Discoveries</b>	<u>9,285,970</u>		<u>62,216</u>	<u>62,216</u>	<u>-</u>
<b>Abatements and Discounts</b>	<u>(11,265,224)</u>		<u>(75,477)</u>	<u>(75,477)</u>	<u>-</u>
Total property valuation	<u>\$ 4,057,670,135</u>				
<b>Net Levy</b>			27,204,152	24,411,816	2,792,336
Uncollected taxes at June 30, 2024			<u>790,823</u>	<u>790,823</u>	<u>-</u>
<b>Current Year's Taxes Collected</b>			<u>\$ 26,413,329</u>	<u>\$ 23,620,993</u>	<u>\$ 2,792,336</u>
<b>Current Levy Collection Percentage</b>			97.09%	96.76%	100.00%

*This page left blank intentionally.*

**ALEXANDER COUNTY  
NORTH CAROLINA  
COMPLIANCE LETTERS  
FOR THE YEAR ENDED JUNE 30, 2024**

**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, 2024

### TABLE OF CONTENTS

	<b><u>Page</u></b>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act	3-6
Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act	7-10
Schedule of Findings, Responses and Questioned Costs	11-16
Corrective Action Plan	17-18
Schedule of Prior Year Audit Findings	19
Schedule of Expenditures of Federal and State Awards	20-22

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

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

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

### **Independent Auditor's Report**

To the Board of 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, 2024, 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 26, 2024. 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 compliance and other matters associated with the Alexander County ABC Board or the Alexander County Economic Development Corporation or that are reported separately by those auditors who audited the financial statements of the Alexander County ABC Board.

### **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 26, 2024



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

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

## **Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; Report on the 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, 2024. 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, 2024.

#### ***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.

### ***Other Matters***

The results of our auditing procedures disclosed instances of non-compliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2024-001, 2024-002, and 2024-003. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Alexander County's responses to the non-compliance findings identified in our compliance audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Alexander County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2024-001, 2024-002 and 2024-003 to be significant deficiencies.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on Alexander County's responses to the non-compliance findings identified in our compliance audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Alexander County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

### **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, 2024, and the related notes to the financial statements, which collectively comprise Alexander County's basic financial statements. We issued our report thereon dated November 26, 2024, 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 26, 2024

# 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; Report on the 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, 2024. 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, 2024.

##### ***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 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.

### ***Other Matters***

The results of our auditing procedures disclosed instances of non-compliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2024-001, 2024-002, and 2024-003. Our opinion on each major state program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Alexander County's responses to the non-compliance findings identified in our compliance audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Alexander County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2024-001, 2024-002 and 2024-003 to be significant deficiencies.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on Alexander County's responses to the non-compliance findings identified in our compliance audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Alexander County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

### **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, 2024, and the related notes to the financial statements, which collectively comprise Alexander County's basic financial statements. We issued our report thereon dated November 26, 2024, 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 26, 2024



**ALEXANDER COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**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?   X   Yes    \_\_\_\_\_ None reported

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

Unmodified

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

  X   Yes    \_\_\_\_\_ No

Identification of major federal programs:

<u>Program Name</u>	<u>AL#</u>
Medicaid Cluster	93.778

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, 2024**

**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?              X   Yes             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?                      X   Yes             No

Auditee qualified as low-risk auditee?                           Yes        X   No

Identification of major state programs:

**Program Name**

- Medicaid Cluster
- Foster Care, Adoption, and Guardianship Assistance Program Cluster
- Public School Building Capital Fund
- Regional Economic Development Reserve

**2. Financial Statement Findings**

None reported.

# ALEXANDER COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

### 3. Federal Award Findings, Responses, and Questioned Costs

#### U.S. Department of Health and Human Services

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

Program Name: Medicaid Cluster

AL # 93.778

Grant Number: XIX-MAP23

Program Name: Foster Care Title IV-E

AL # 93.658

Grant Number: 2401NCFOST

Program Name: Adoption Assistance

AL # 93.659

Grant Number: 2401NCADPT

#### Finding 2024-001

#### Significant Deficiency

#### Non-Material Non-Compliance, Special Tests and Provisions

**Criteria:** In accordance with 2CFR 200, management must have an adequate system of internal control procedures in place to adequately safeguard confidential information from unauthorized use in compliance with applicable laws and regulations. In accordance with the Division of Social Services Fiscal Manual, DSS employees should control physical access to the state network terminals or personal computers that are connected to the state mainframe.

**Condition:** Upon surprise inspection, two unattended workstations of DSS employees were logged onto the state network, without anyone attending to the workstation.

**Context:** While performing testing of internal control over compliance related to the Division of Social Services, we noted the above condition.

**Effect:** Unauthorized access to the state system could be obtained due to the unattended logon to the system throughout the DSS building.

**Cause:** Lack of proper internal controls over data security

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

**Recommendation:** Require the County Data Processing Department to implement procedures to require logout of workstations where access to the state DSS system is granted. The control procedures should include random verification of logout in instances where offices are unattended.

**View of Responsible Officials and Planned Corrective Actions:** See Corrective Action Plan submitted with this report.

## ALEXANDER COUNTY, NORTH CAROLINA

### SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

#### 3. Federal Award Findings, Responses, and Questioned Costs (continued)

##### U.S. Department of Health and Human Services

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

Program Name: Medicaid Cluster

AL # 93.778

Grant Number: XIX-MAP23

Program Name: Foster Care Title IV-E

AL # 93.658

Grant Number: 2401NCFOST

Program Name: Adoption Assistance

AL # 93.659

Grant Number: 2401NCADPT

##### **Finding 2024-002**

##### **Significant Deficiency**

##### **Non-Material Non-Compliance, Special Tests and Provisions**

**Criteria:** In accordance with 2CFR 200, management should have an adequate system of internal controls in place to ensure proper use of indirect cost plan rates in compliance with applicable laws and regulations. In accordance with the Division of Social Services Fiscal Manual, Counties must prepare an indirect cost plan for each fiscal year based on the figures of actual costs of the most recent fiscal year.

**Condition:** Upon review of the statement of administrative costs, it was determined the County was not requesting reimbursement at the approved and NC DHHS certified rate for the fiscal year.

**Context:** While performing testing of compliance requirements over the DSS 1571 it was noted the County was using an unapproved rate of (\$4,704) per month instead of the correct rate of (\$3,718) per month for a portion of the indirect cost plan. This amount occurred for 9 months causing a \$8,873 difference in the reporting out of \$868,932 for the total plan.

**Effect:** The County's indirect cost reimbursement could be disallowed for any amount in excess of the certified amount.

**Cause:** Lack of proper internal controls over the indirect cost plan

**Questioned Costs:** In accordance with 2CFR 200, auditors are required to report known questioned costs when likely questioned costs are greater than \$25,000. Likely questioned costs do not exceed \$25,000.

**Recommendation:** Require the County to implement internal controls over the indirect cost reporting on the DSS-1571 to ensure compliance with Division of Social Services Fiscal Manual.

**View of Responsible Officials and Planned Corrective Actions:** See Corrective Action Plan submitted with this report.

# ALEXANDER COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

### 3. Federal Award Findings, Responses, and Questioned Costs (continued)

#### U.S. Department of Health and Human Services

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

Program Name: Medicaid Cluster

AL # 93.778

Grant Number: XIX-MAP23

Program Name: Foster Care Title IV-E

AL # 93.658

Grant Number: 2401NCFOST

Program Name: Adoption Assistance

AL # 93.659

Grant Number: 2401NCADPT

#### Finding 2024-003

##### Significant Deficiency

##### **Non-Material Non-Compliance, Special Tests and Provisions**

**Criteria:** In accordance with 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure proper use of approved mileage and meal reimbursement rates in compliance with applicable laws and regulations. The County requires DSS employees to use the correct approved mileage and meal reimbursement rates when submitting requests for reimbursement.

**Condition:** Upon inspection of reimbursement request forms, employees did not use the correct approved rate for meal reimbursement.

**Context:** While performing testing of internal control over compliance related to the Division of Social Services and Finance, we noted that an employee was given a larger meal reimbursement than what was allowed per the County policy and reimbursement form. Of the \$2,244 that we tested there was one instance in which personnel was paid \$10 more than allowed by County policy.

**Effect:** Incorrect meal reimbursement amounts could be distributed to employees.

**Cause:** Lack of proper internal controls over meal reimbursement requests

**Questioned Costs:** In accordance with 2CFR 200, auditors are required to report known questioned costs when likely questioned costs are greater than \$25,000. Likely questioned costs do not exceed \$25,000.

**Recommendation:** The County should implement internal controls to ensure that meals are reimbursed at the appropriate rates, per County policy.

**Views of Responsible Officials and Planned Corrective Actions:** See Corrective Action Plan submitted with this report.

# ALEXANDER COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

### 4. State Award Findings, Responses, and Questioned Costs

#### **U.S. Department of Health and Human Services**

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

Program Name: Medicaid Cluster

AL # 93.778

Grant Number: XIX-MAP23

Program Name: Foster Care Title IV-E

AL # 93.658

Grant Number: 2401NCFOST

Program Name: Adoption Assistance

AL # 93.659

Grant Number: 2401NCADPT

#### **Significant Deficiency**

#### **Non-Material Non-Compliance, Special Tests and Provisions**

**Finding: 2024-001** – In accordance with 2CFR 200, management must have an adequate system of internal control procedures in place to adequately safeguard confidential information from unauthorized use in compliance with applicable laws and regulations. In accordance with the Division of Social Services Fiscal Manual, DSS employees should control physical access to the state network terminals or personal computers that are connected to the state mainframe. See more details at Finding 2024-001 in Section 3 Federal Award Findings, Responses, and Questioned Costs.

#### **Significant Deficiency**

#### **Non-Material Non-Compliance, Special Tests and Provisions**

**Finding 2024-002** – In accordance with 2CFR 200, management should have an adequate system of internal controls in place to ensure proper use of indirect cost plan rates in compliance with applicable laws and regulations. In accordance with the Division of Social Services Fiscal Manual, Counties must prepare an indirect cost plan for each fiscal year based on the figures of actual costs of the most recent fiscal year. See more details at Finding 2024-002 in Section 3 Federal Award Findings, Responses, and Questioned Costs.

#### **Significant Deficiency**

#### **Non-Material Non-Compliance, Special Tests and Provisions**

**Finding 2024-003** – In accordance with 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure proper use of approved mileage and meal reimbursement rates in compliance with applicable laws and regulations. The County requires DSS employees to use the correct approved mileage and meal reimbursement rates when submitting requests for reimbursement. See more details at Finding 2024-003 in Section 3 Federal Award Findings, Responses, and Questioned Costs.



## *Alexander County Dept. of Social Services*

### **Corrective Action Plan for Finding 2024-001**

Name of Contact Person: Michael Dodson, DSS Business Officer

#### Corrective Action:

1. On May 7<sup>th</sup> and May 17<sup>th</sup>, job counseling sessions and written warnings were given to the employees who were flagged for not logging out or locking their screens to protect confidential information. In addition, On July 2<sup>nd</sup>, a staff meeting was completed to review agency policy on PII requirements and expectations and I.T. has changed lock out screen settings to take place after 3 minutes of inactivity on all DSS Computer Systems.

Proposed Completion Date: PII Policy Enforcement, Training Reviews, Security Implementations have been completed as of 7/2/24.

2. The DSS Director and Agency Admin. team will randomly check office computers to ensure systems are locked per policy.

Proposed Completion Date: July 2, 2024

### **Corrective Action Plan for Finding 2024-002**

Name of Contact Person: Michael Dodson, DSS Business Officer

#### Corrective Action:

1. Alexander County DSS has implemented more detailed Indirect Cost Plan review to ensure that the County Manager signed plan is utilized and not the Final (Draft) version. The Business Officer will further train in the differences between the two documents to ensure the proper one is reviewed and financial data is transferred over to the 1571 mthly cost statements.

Proposed Completion Date: Reviewing of the two versions of the Indirect Cost Plans by the DSS Business Officer has been completed as of August 6<sup>th</sup>, 2024 once the Signed FY23 Indirect Cost plan was obtained. DSS Business Officer will continue a review process every fiscal year once the newly signed plan is received.

2. The DSS Director and Business Office team will review the Official Indirect Cost Plans annually and check the 1571 Statement of Admin. letters mthly to ensure accuracy in the Indirect Cost Plan financial data.

Proposed Completion Date: August 6<sup>th</sup>, 2024



*Alexander County Finance Office*

**Corrective Action Plan for Finding 2024-003**

Name of Contact Person: Jennifer Herman, Finance Director

**Corrective Action:**

1. The Finance Office will no longer make corrections on employee mileage and meal reimbursement forms submitted by County departments. Finance Office staff will return incorrect forms for departmental personnel to make corrections and resubmit the reimbursement form.

Proposed Completion Date: This plan has been implemented since October 1, 2024.

2. The County will update its travel policy and require County department heads to be responsible for the use of approved rates on employee travel reimbursement forms.

Proposed Completion Date: January 1, 2025.



**ALEXANDER COUNTY, NORTH CAROLINA**  
**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

None reported.

**ALEXANDER COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2024**

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
<b>Federal Awards:</b>					
<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	245NC406S2514	\$ 398,847	\$ -	\$ -
COVID-19 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	245NC406S2514	11,436	-	-
Total Supplemental Nutrition Assistance Program Cluster			410,283	-	-
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)GD, 13A25405(9)JQ	166,431	-	-
Total U.S. Department of Agriculture			576,714	-	-
<u>U.S. Department of Housing and Urban Development</u>					
<u>Office of Community Planning and Development</u>					
Passed-through the N.C. Department of Commerce:					
Division of Rural Economic Development:					
<u>CDBG-Entitlement/Special Purpose Grants Cluster:</u>					
Community Development Block Grants/Entitlement Grants Neighborhood Revitalization (CDBG-NR) Program					
Alexander County Sterling Road CDBG Project	14.218	21-C-4005	18,671	-	-
Total CDBG-Entitlement/Special Purpose Grants Cluster			18,671	-	-
<u>U.S. Dept. of Treasury</u>					
Direct Programs:					
COVID 19 - Coronavirus State Local Fiscal Recovery Funds	21.027	566000272	81,401	-	-
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	1,200	-	-
Passed-through the N.C. Department of Cultural Resources					
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	2000057929	19,345	-	-
Passed-through the N.C. Department of Health and Human Services					
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds - Lead & Asbestos - Remediation	21.027	200TT00000	3,160	-	-
Total U.S. Dept. of Treasury			105,106	-	-
<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	49,820	6,229	-
Total Transit Services Program Cluster			49,820	6,229	-
Total U.S. Dept. of Transportation			49,820	6,229	-
<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	26,874	-	-
Total Appalachian Regional Commission			26,874	-	-
<u>U.S. Department of Homeland Security</u>					
Division of Federal Emergency Management Agency					
Passed-through N.C. Dept. of Public Safety:					
Emergency Management Performance Grants	97.042	EMPG-2023-2320002	39,698	-	-
Total U.S. Department of Homeland Security			39,698	-	-
<u>U.S. Dept. of Health &amp; 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	566000272-2024	46,100	79,430	-
Special Programs for the Aging - Title III Part C:					
Nutrition Services					
Nutrition Services-ARPA Funds	93.045	566000272-2024	82,105	4,830	-
Nutrition Services Incentive Program	93.045	566000272-2024	27,619	-	-
Total Aging Cluster			6,294	-	-
Total U.S. Dept. of Health & Human Services			162,118	84,260	-
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	90SAPG0099-04-00	9,944	-	-
Special Programs for Aging, Title IV, and Title II, Discretionary Projects - CIP-Senior Medicare Patrol Project	93.048	90MPPG0074-01-00	2,800	-	-
Medicare Enrollment Assistance Program	93.071	2201NCMISH-01	3,631	-	-
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					
Stephanie Tubbs Jones Child Welfare Services Program:	93.556	2401NCFPSS	9,403	-	-
- Permanency Planning - Families for Kids	93.645	2401NCCWSS	-	69,530	-
Total Special Children Adoption Fund Cluster			9,403	69,530	-
<u>Temporary Assistance for Needy Families:</u>					
Division of Social Services:					
Temporary Assistance for Needy Families (Note 5)	93.558	2401NCTANF	186,440	-	-
Division of Public Health:					
Temporary Assistance for Needy Families (Note 5)	93.558	13A15151T202	3,469	-	-
Total TANF			189,909	-	-

**ALEXANDER COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2024**

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
<b>Foster Care, Adoption, and Guardianship Assistance Program Cluster (Note 4):</b>					
Administration:					
Foster Care Title IV-E	93.658	2401NCFOST	293,705	18,764	-
Adoption Assistance (Note 5)	93.659	2401NCADPT	30,827	-	-
Direct benefits:					
Foster Care - Title IV-E	93.658	2401NCFOST	133,983	39,191	-
Total Foster Care, Adoption, and Guardianship Assistance Program Cluster			458,515	57,955	-
Child Support Services	93.563	2401NCCES	353,713	-	-
Low-Income Home Energy Assistance:					
Crisis Intervention Program	93.568	2401NCLIEA	1,610	-	-
Weatherization Assistance and Heating and Air Repair	93.568	2401NCLIEA	24,893	-	-
COVID-19 Weatherization Assistance and Heating and Air Repair	93.568	2401NCLIEA	640	-	-
Total Low-Income Home Energy Assistance			27,143	-	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2401NCCILP	6,886	1,722	-
Total John H. Chafee Foster Care Program for Successful Transition to Adulthood			6,886	1,722	-
Division of Aging and Adult Services:					
Division of Social Services:					
Social Services Block Grant - State In Home Service Fund	93.667	2401NCSOSR	6,011	-	-
Social Services Block Grant - State Adult Day Care	93.667	2401NCSOSR	15,654	7,386	-
Social Services Block Grant - COVID-19 - State Adult Day Care	93.667	2401NCSOSR	-	363	-
Social Services Block Grant - State Child Protective Services	93.667	2401NCSOSR	72,523	-	-
Social Services Block Grant - Other Service and Training	93.667	2401NCSOSR	92,975	-	-
Total Social Services Block Grant			187,163	7,749	-
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	2401NCCCDF	82,269	-	-
Total Subsidized Child Care Program Cluster / Child Care Development Fund Cluster			82,269	-	-
<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	1,260,849	65,424	-
Total Medicaid Cluster			1,260,849	65,424	-
Division of Social Services:					
Administration:					
Children's Health Insurance Program - N.C. Health Choice (Note 5)	93.767	CHIP24	119,253	1,620	-
<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	25,860	-	-
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Public Health Emergency Preparedness	93.069	12642680EU(EW)02	30,380	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	14602720NF02	50	-	-
Family Planning Services	93.217	13A15900FP02	43,271	-	-
Immunization Cooperative Agreements	93.268	1331631EEJ02	11,712	-	-
COVID-19 - Immunization Cooperative Agreements	93.268	13316315LD02	8,742	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	1332892AL502; 1175883AP502	53,892	-	-
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)-Support for County Confinement Facilities	93.323	NU50CK000530	3,236	-	-
Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			57,128	-	-
HIV Care Formula Grants - Ryan White Care Act	93.917	2B04536-20G01169002	519	-	-
Preventive Health and Health Services Block Grant	93.991	12615503PH02	30,362	-	-
Maternal and Child Health Services Block Grant to the States	93.994	13A157400002; 12715745AR02	22,061	2,231	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	13114631NB02	100	-	-
Total U.S. Dept. of Health and Human Services			3,103,781	290,491	-
Total federal awards			3,920,664	296,720	-
<b>State Awards:</b>					
<u>N.C. Dept. of Military and Veteran Affairs</u>					
Veterans Service					
		011823-1397	-	2,174	-
<u>N.C. Dept. of Cultural and Natural Resources</u>					
State Library of North Carolina					
State Aid for Public Libraries					
		566000272-2024	-	114,594	-
<u>N.C. Office of State Budget and Management</u>					
Regional Economic Development Reserve					
		20811	-	712,499	-
Regional Economic Development Reserve					
		20812	-	300,000	300,000
Total N. C. Office of State Budget and Management			-	1,012,499	300,000
<u>N.C. Dept. of Agriculture and Consumer Services</u>					
Division of Soil & Water Conservation					
StreamFlow Rehabilitation Program (SRAP)					
		22-080-4044	-	335,887	-
Total N. C. Dept. of Agriculture and Consumer Services			-	335,887	-

**ALEXANDER COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2024**

Grantor/Pass-through Grantor/Program Title N.C. Dept. of Commerce	Federal AL Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	
Building Reuse Grant - Hancock & Moore, LLC/Project Bumble Bee Total N. C. Dept. of Commerce		2023-014-3201-2587	-	7,651	-	
			-	7,651	-	
<b>N.C. Department of Environmental Quality</b>						
Division of Waste Management-Solid Waste Section Scrap Tire Disposal Grant Total N. C. Dept. of Environmental Quality		566000272	-	724	-	
			-	724	-	
<b>N.C. Dept. of Health and Human Services</b>						
Division of Aging and Adult Services Passed-through Western Piedmont Council of Governments Senior Center General Purpose Funds		ZGA370-11	-	3,718	-	
Division of Social Services State Child Welfare - State Protective Services Extended FC/Max Non IV-E - direct benefits F/C At Risk Maximization - direct benefits SFHF Maximization - direct benefits State Foster Home - direct benefits Total Division of Social Service			-	185,466	-	
			-	22,815	-	
			-	1,204	-	
			-	61,022	-	
			-	38,118	-	
			-	308,625	-	
Division of Public Health General Aid to Counties / PH Capacity Building General Communicable Disease Control Family Planning - State Healthy Communities High Risk Maternity Clinics Women Health Service Fund Food and Lodging Fees School Nursing Funding Initiative Maternal Health State Fiscal Recovery Funds HIV/STD State Tuberculosis Control Total Division of Public Health Total N. C. Department of Health and Human Services		116141100002 117545100002 13A157350002 126155030002 116143010002 13A16021FR02 11534752SZ02 133253580002 13A157400002 25F1249NTT02 13114536BN02 14604551(4)0002	-	85,275 10,112 15,502 3,747 5,849 1,123 5,326 150,000 6,013 99,051 400 2,951	-	-
			-	385,349	150,000	
			-	697,692	150,000	
<b>N.C. Dept. of Public Safety</b>						
Emergency Management Capacity Building Competitive Grant North Carolina Tier II Juvenile Crime Prevention Programs Total N. C. Department of Public Safety		2394015 2471039 536301	-	101,598 2,392 138,820	-	
			-	242,810	-	
<b>N.C. Dept. of Public Instruction</b>						
Public School Building Capital Fund - Needs-Based Lottery Proceeds Public School Building Capital Fund - RR Lottery Proceeds Total N.C. Dept. of Public Instruction Total State awards			-	3,038,547 128,267 3,166,814	3,038,547 128,267 3,166,814	
			-	5,580,845	3,616,814	
<b>Other Financial Assistance:</b>						
NC Dept. of Justice Opioid Settlement Fund (Note 6) Total federal and State awards		566000272	-	181,777	-	
			\$	3,920,664	\$ 6,059,342	
			\$	3,616,814	\$ 3,616,814	

**Notes to the Schedule of Expenditures of Federal and State 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, 2024. 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
WIC Special Supplemental Nutrition Program for Women Infant and Children	10.557	\$ 543,124	\$ -
Temporary Assistance for Needy Families	93.558	155,340	-
Adoption Assistance	93.659	366,274	73,164
Medical Assistance Program	93.778	60,600,130	23,691,282
Children's Health Insurance Program	93.767	501	138
Child Welfare Services Adoption Subsidy & Vendor		-	173,705
State / County Special Assistance program		-	125,710

**Note 6: Opioid Settlement Fund**

The NC Department of Justice does not consider Opioid Settlement Funds either Federal or State Financial assistance since they are from a settlement with private major drug companies. Since these funds are subject to the State Single Audit Implementation Act, they are reported as "Other Financial Assistance" on the SEFSA, and considered State Awards for State single audit requirements.