Village of Alamance, North Carolina

Audited Financial Statements

Year Ended June 30, 2023

Village of Alamance

Alamance, North Carolina

Donald Tichy, Mayor

Timothy Isley, Mayor Pro-Tem

Board of Alderman

Phil Cheap	Dale Hunt
Gayle Andrews	Barry Crouse, Jr.
Timothy Isley	Dan Tichy

Village of Alamance

June 30, 2023

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COBB EZEKIEL LOY & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

Independent Auditor's Report

Board of Alderman
Village of Alamance
Alamance, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Alamance, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village of Alamance's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Alamance as of June 30, 2023, and the respective changes in financial position, and cash flows (where applicable) thereof and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 obtained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Alamance 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.

Responsibilities of Management for the Audit of the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raises substantial doubt about the Village of Alamance's ability to continue as a going concern for the 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 *Governmental 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 judgement made by a reasonable user based on the financial statements.

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

- Exercised professional judgement and maintained 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 Village of Alamance'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Alamance'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 and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions

be presented to supplement the basic financial statements. Such information 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, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial 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 compromise the Village of Alamance's basic financial statements. The combining and individual fund financial statements, budgetary schedules, and other 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. In our opinion, based on our audit and the procedures performed as described above, the individual fund statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2023 on our consideration of the Village of Alamance'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 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 the Village of Alamance'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 the Village of Alamance's internal control over financial reporting and compliance.

Cobb Ezekiel Say & Company, PA

Certified Public Accountants
Graham, North Carolina
October 31, 2023

Management's Discussion and Analysis

As management of the Village of Alamance, we offer readers of the Village of Alamance financial statements this narrative overview and analysis of the financial activities of the Village of Alamance for the fiscal year ended June 30, 2023. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Village's financial statements, which follow this narrative.

Financial Highlights

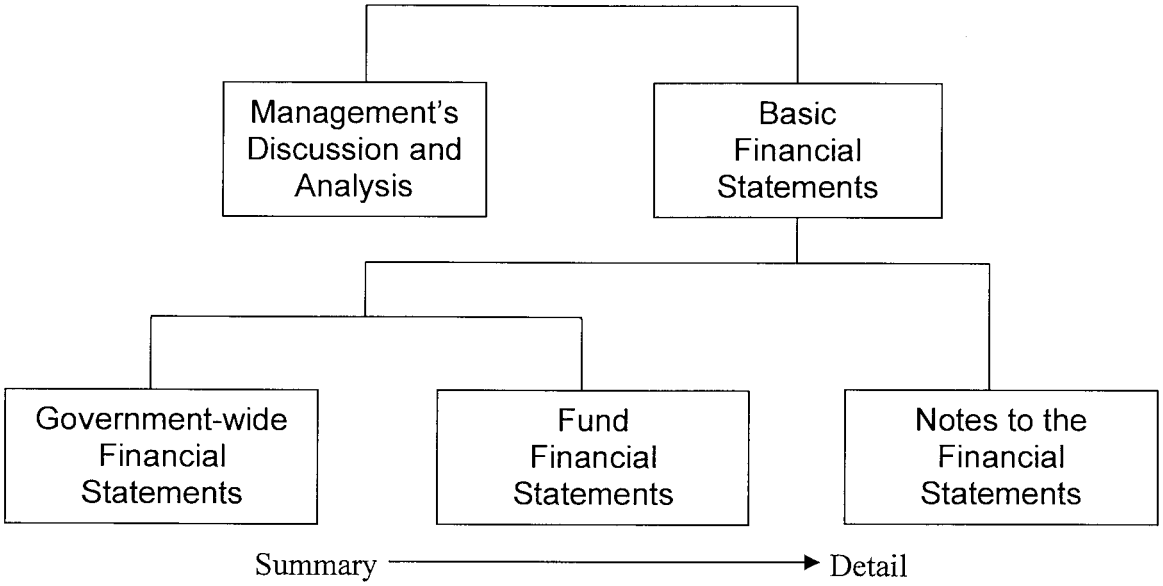
- The assets and deferred outflows of resources of the Village of Alamance exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $9,123,528 (*net position*).
- The government's total net position increased by $389,905, due to an increase in the government type activities net position of $236,348, and a decrease in the business type activity net position of $153,557.
- As of the close of the current fiscal year, the Village of Alamance governmental funds reported combined ending fund balances of $3,568,766 with a net change of $151,375 in fund balance. Approximately 2.7% of this total amount, or $98,018, is nonspendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $2,549,279, or 528% of total general fund expenditures for the fiscal year.
- The Village of Alamance's debt decreased by $12,799, as a result of principal payments on the State Revolving Loan.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

The next statements (Exhibits 3 through 8) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Village government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Village's individual funds. Budgetary information required by the North Carolina General Statutes also can be found in this part of the statements.

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Village's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Alamance, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City budget ordinance. All of the funds of the Village of Alamance can be divided into two categories: governmental funds and proprietary funds.

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

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

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

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

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

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

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

Government-Wide Financial Analysis

The Village of Alamance Net Position - Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Current and other assets	$ 3,583,058	$ 3,481,526	$ 600,103	$ 425,764	$4,183,161	$3,907,290
Capital assets	1,337,856	1,249,437	3,748,010	3,821,840	5,085,866	5,071,277
Assessments - non current	-	-	7,326	7,326	7,326	7,326
Deferred outflows of resources	27,676	16,067	-	-	27,676	16,067
Total assets and deferred outflows of resources	4,948,590	4,747,030	4,355,439	4,254,930	9,304,029	9,001,960
Long-term liabilities outstanding	47,281	15,234	89,765	98,204	137,046	113,438
Other liabilities	12,718	62,634	30,141	71,580	42,859	134,214
Deferred inflows of resources	3,303	20,223	367	2,247	3,670	22,470
Total liabilities and deferred inflows of resources	63,302	98,091	120,273	172,031	183,575	270,122
Net position:						-
Net investment in capital assets	1,337,856	1,249,437	3,658,420	3,719,452	4,996,276	4,968,889
Restricted	98,018	83,329	-	-	98,018	83,329
Unrestricted	3,449,413	3,316,173	579,821	365,232	4,029,234	3,681,405
Total net position	$ 4,885,287	$ 4,648,939	$ 4,238,241	$ 4,084,684	$9,123,528	$8,733,623

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Village of Alamance exceeded liabilities and deferred inflows by $9,123,528 as of June 30, 2023. The Village's net position increased by $389,905 for the fiscal year ended June 30, 2023. However, the largest portion (55%) reflects the Village's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Village of Alamance uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since capital assets cannot be used to liquidate these liabilities. An additional portion of the Village's net position, $98,018 represents resources that are subject to external restrictions on how they may be used.

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

- All tax revenue remains consistent along with good expenditure management.
- The Village received their first distribution of American Rescue Plan Act funds in the amount of $166,041 in the prior year and transferred this to the capital project during the current year.

Village of Alamance Changes in Net Position

Figure 3

	Governmental Activities		Business-type Activities		Total	
Revenues:	2023	2022	2023	2022	2023	2022
Program revenues:						
Charges for services	$ 28,276	$ 27,827	$ 380,671	$ 354,956	$ 408,947	$ 382,783
Operating grants and contributions	29,661	29,884	-	-	29,661	29,884
General revenues:						
Property taxes	250,306	252,435	-	-	250,306	252,435
Other taxes	392,819	384,295	-	-	392,819	384,295
Grants and contributions	-	80,968	-	17,600	-	98,568
Unrestricted investment earnings	103,274	3,676	8,516	125	111,790	3,801
Coronavirus state and local fiscal recovery funds	-	166,041	166,041	-	166,041	166,041
Other	4,325	3,671	15,395	7,574	19,720	11,245
Total revenues	808,661	948,797	570,623	380,255	1,379,284	1,329,052
Expenses:						-
General government	247,796	215,732	-	-	247,796	215,732
Public safety	5,731	6,193	-	-	5,731	6,193
Transportation	43,073	42,428	-	-	43,073	42,428
Environmental protection	107,598	121,599	-	-	107,598	121,599
Interest on long-term debt	-	-	-	-	-	-
Water and sewer	-	-	585,181	472,430	585,181	472,430
Total expenses	404,198	385,952	585,181	472,430	989,379	858,382
Increase in net position before transfers	404,463	562,845	(14,558)	(92,175)	389,905	470,670
Transfers	(168,115)	7,695	168,115	(7,695)	-	-
Increase in net position	236,348	570,540	153,557	(99,870)	389,905	470,670
Net position, beginning	4,648,939	4,078,399	4,084,684	4,184,554	8,733,623	8,262,953
Net position, June 30	$ 4,885,287	$ 4,648,939	$ 4,238,241	$ 4,084,684	$ 9,123,528	$ 8,733,623

Governmental activities: Governmental activities increased the Village's net position by $236,348, thereby accounting for 61% of the total change in net position of the Village of Alamance. Key elements of the increase are as follows:

- Program and General revenues and general fund expenditures remained very consistent.
- The ARPA money received in the current year was reported in the capital project, the Village also did not have any current year contributed capital.

Business-type activities: Business-type activities increased the Village of Alamance's net position by $153,557, accounting for 39% of the total change in the government's net position. Key elements of the increase are as follows:

- Water and sewer charges increased by $25,715, contributed capital decreased by $17,600.
- Expenditures increased by $112,751 overall for water and sewer related services, mostly for sewer maintenance.
- The water and sewer fund also reported the second ARPA distribution through the capital project fund.

Financial Analysis of the Village's Funds

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

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

The general fund is the chief operating fund of the Village of Alamance. At the end of the current fiscal year, unreserved fund balance of the General Fund was $3,470,748, while total fund balance reached $3,568,766. The Village of Alamance currently has an available fund balance of 528% of general fund expenditures, and total fund balance represents 554% of the same amount.

General Fund Budgetary Highlights: During the fiscal year, the Village revised the budget. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

There were several reasons the Village revised its budget throughout the year. Expenditures in transportation were budgeted for road and pavement construction.

Proprietary Funds. The Village's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer fund at the end of the fiscal year amounted to $579,821. The total increase in net position was $153,557.

Capital Asset and Debt Administration

Capital assets. The Village of Alamance's investment in capital assets for its governmental and business–type activities as of June 30, 2023, totals $5,085,866 (net of accumulated depreciation). These assets include land, equipment, and infrastructure.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	$ 46,468	$ 46,468	$ 7,000	$ 7,000	$ 53,468	$ 53,468
Construction in progress	-	-	68,980	-	68,980	-
Equipment and furniture	25,237	25,123	3,793	8	29,030	25,131
Building	207,632	207,941	-	-	207,632	207,941
Water and Sewer System	-	-	3,668,237	3,814,832	3,668,237	3,814,832
Infrastructure	1,058,519	969,905	-	-	1,058,519	969,905
Total	$ 1,337,856	$ 1,249,437	$ 3,748,010	$3,821,840	$5,085,866	$5,071,277

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

Long-term Debt. As of June 30, 2023, the Village of Alamance had no bonded debt outstanding.

Village of Alamance's Outstanding Debt

The Village of Alamance's debt decreased by 12.5% during the past fiscal year. This decrease is due to payments on debt which totaled $12,799.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Village of Alamance is $9,935,838.

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

Economic Factors and Next Year's Budgets and Rates

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

- Continued stability in the operations of the General Fund despite the ongoing COVID-19 pandemic.
- Property tax and local option sales tax revenue continue to increase due to the growth in the Village.

Budget Highlights for the Fiscal Year Ending June 30, 2024

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

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

Request for Information

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

Finance Officer
Village of Alamance
Alamance, NC

Exhibit 1

Village of Alamance
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 3,480,635	$ 531,542	$ 4,012,177
Taxes receivables (net)	4,123	-	4,123
Accrued interest receivable on taxes	282	-	282
Accounts receivable (net)	98,018	61,155	159,173
Water and Sewer Assessments receivable	-	-	-
Restricted Cash and Cash Equivalents	-	7,406	7,406
Total current assets	3,583,058	600,103	4,183,161
Capital assets (Note 3):			
Land, non-depreciable improvements, and construction in progress	46,468	75,980	122,448
Other capital assets, net of depreciation	1,291,388	3,672,030	4,963,418
Total capital assets	1,337,856	3,748,010	5,085,866
Water and Sewer Assessments - non current	-	7,326	7,326
Total assets	4,920,914	4,355,439	9,276,353
DEFERRED OUTFLOWS OF RESOURCES			
Contributions to pension plan in current fiscal year	27,676	3,075	30,751
Total deferred outflows of resources	27,676	3,075	30,751
LIABILITIES			
Current liabilities:			
Accounts payable	9,887	17,342	27,229
Customer deposits	-	7,406	7,406
Current portion of long-term liabilities	2,831	12,799	15,630
Total current liabilities	12,718	37,547	50,265
Long-term liabilities:			
Net Pension Liability	42,649	4,739	47,388
Due in more than one year	4,633	77,620	82,253
Total liabilities	60,000	119,906	179,906
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	3,303	367	3,670
Total deferred inflows of resources	3,303	367	3,670
NET POSITION			
Net investments in capital assets	1,337,856	3,658,420	4,996,276
Restricted for Streets - Powell Bill	-	-	-
Restricted for Stabilization by State Statute	98,018	-	98,018
Unrestricted	3,449,413	579,821	4,029,234
Total net position	$ 4,885,287	$ 4,238,241	$ 9,123,528

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

Village of Alamance, North Carolina
Statement of Activities
For the Year Ended June 30, 2023

Exhibit 2

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total
Primary government:							
Governmental Activities:							
General government	$ 247,796	$ -	$ -	$ -	$ (247,796)	$ -	$ (247,796)
Public safety	5,731	1,199	-	-	(4,532)	-	(4,532)
Transportation	43,073	-	29,661	-	(13,412)	-	(13,412)
Environmental protection	107,598	27,077	-	-	(80,521)	-	(80,521)
Total governmental activities	404,198	28,276	29,661	-	(346,261)	-	(346,261)
Business-type activities:							
Water and sewer	585,181	380,671	-	-	-	(204,510)	(204,510)
Total business-type activities	585,181	380,671	-	-	-	(204,510)	(204,510)
Total primary government	$ 989,379	$ 408,947	$ 29,661	$ -	(346,261)	(204,510)	(550,771)
General revenues:							
Taxes:							
Property taxes, levied for general purpose					250,306	-	250,306
Other taxes					392,819	-	392,819
Unrestricted investment earnings					103,274	8,516	111,790
Miscellaneous					4,325	15,395	19,720
Coronavirus state and local fiscal recovery funds					-	166,041	166,041
Transfers					(168,115)	168,115	-
Total general revenues					582,609	358,067	940,676
Change in net position					236,348	153,557	389,905
Net position-beginning					4,648,939	4,084,684	8,733,623
Net position-ending					$ 4,885,287	$ 4,238,241	$ 9,123,528

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

Village of Alamance
Balance Sheet
Governmental Funds
June 30, 2023

Exhibit 3

		Major Fund - General
ASSETS		
Cash and cash equivalents		$ 3,480,635
Restricted Cash		-
Taxes receivable (net)		4,123
Accounts receivable (net)		98,018
Total assets		$ 3,582,776
LIABILITIES		
Accounts payable and accrued liabilities		$ 9,887
Total liabilities		9,887
DEFERRED INFLOWS OF RESOURCES		
Property taxes receivable		4,123
Total deferred inflows of resources		4,123
FUND BALANCES		
Restricted		
Stabilization by State Statute		98,018
Streets - Powell Bill		-
Assigned - Capital Projects and M&R-building		921,469
Unassigned, General Fund		2,549,279
Total fund balances		3,568,766
Total liabilities, deferred inflows of resources and fund balances		$ 3,582,776
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:		
Total Fund Balance, Governmental Funds		$ 3,568,766
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	1,760,586	
Accumulated depreciation	(422,730)	1,337,856
Net pension asset		(42,649)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position		27,676
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current period expenditures and therefore are deferred in the funds.		282
Liabilities for earned revenues considered deferred inflows of resources in fund statements.		4,123
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.		(7,464)
Deferred inflows of resources related to pensions are not reported in the funds.		(3,303)
Net position of governmental activities		$ 4,885,287

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

Village of Alamance
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2023

Exhibit 4

	Major Fund - General
REVENUES	
Ad valorem taxes	$ 249,190
Other taxes and licenses	346,991
Unrestricted intergovernmental	45,828
Restricted intergovernmental	29,661
Permits and fees	1,199
Sales and services	27,077
Investment earnings	103,274
Miscellaneous	5,483
Coronavirus relief funds	-
Coronavirus state and local fiscal recovery funds	-
Total revenues	808,703
EXPENDITURES	
General government	232,729
Public safety	5,158
Transportation	154,492
Environmental protection	96,834
Total expenditures	489,213
Excess (deficiency) of revenues over expenditures	319,490
OTHER FINANCING SOURCES (USES)	
Transfers (to) from other funds	(168,115)
Total other financing sources and uses	(168,115)
Net change in fund balance	151,375
Fund balances-beginning of year - July 1	3,417,391
Fund balances-end of year - June 30	$ 3,568,766

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

Village of Alamance, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2023

Exhibit 4

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

Net changes in fund balances - total governmental funds		$ 151,375
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay expenditures which were capitalized	$ 142,901	
Depreciation expense for governmental assets	(54,383)	
Loss on disposal of assets	(99)	88,419
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		8,319
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Amount of donated assets		-
Change in unavailable revenue for tax revenues		72
Accrued interest receivable on taxes		(14)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		(979)
Pension expense		(10,844)
Total changes in net position of governmental activities		$ 236,348

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

Village of Alamance **Exhibit 5**

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2023

	General Fund			
	Original	Final	Actual Amounts	Final Budget - Positive
Revenues:				
Ad valorem taxes	$ 221,500	$ 221,500	$ 249,190	$ 27,690
Other taxes and licenses	300,000	300,000	346,991	46,991
Unrestricted intergovernmental	41,100	41,100	45,828	4,728
Restricted intergovernmental	27,500	28,000	29,661	1,661
Permits and fees	500	500	1,199	699
Sales and services	27,000	27,000	27,077	77
Investment earnings	1,050	1,050	103,274	102,224
Miscellaneous	1,500	1,000	5,483	4,483
Total revenues	620,150	620,150	808,703	188,553
Expenditures:				
General government	334,150	334,150	232,729	101,421
Public safety	6,000	6,000	5,158	842
Transportation	168,000	268,000	154,492	113,508
Environmental protection	112,000	112,000	96,834	15,166
Total expenditures	620,150	720,150	489,213	230,937
Revenues over (under) expenditures	-	(100,000)	319,490	419,490
Other financing sources (uses):				
Transfers from other funds	-	-	(168,115)	(168,115)
Appropriated fund balance	-	100,000	-	(100,000)
Total other financing sources (uses)	-	100,000	(168,115)	(268,115)
Net change in fund balance	$ -	$ -	151,375	$ 151,375
Fund balances:				
Beginning of year - July 1			3,417,391	
End of year - June 30			$ 3,568,766	

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

Village of Alamance
Statement of Net Position
Proprietary Fund
June 30, 2023

Exhibit 6

	Water and Sewer Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 531,542
Accounts receivable (net)	61,155
Water and Sewer Assessments	-
Restricted cash and cash equivalents	7,406
Total current assets	600,103
Noncurrent assets:	
Capital assets:	
Land and Construction in Progress	75,980
Other capital assets, net of depreciation	3,672,030
Capital assets (net)	3,748,010
Water and Sewer Assessments - non current	7,326
Total noncurrent assets	3,755,336
Total assets	4,355,439
DEFERRED OUTFLOWS OF RESOURCES	
Contributions to pension plan	3,075
Total deferred outflows of resources	3,075
LIABILITIES	
Current liabilities:	
Accounts payable	17,342
Current portion of long-term liabilities	12,799
Total current liabilities	30,141
Noncurrent liabilities	
Customer deposits	7,406
Accrued compensation	829
Net Pension Liability	4,739
ARRA loan- noncurrent portion	76,791
Total noncurrent liabilities	89,765
Total liabilities	119,906
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	367
NET POSITION	
Net investment in capital assets	3,658,420
Unrestricted	579,821
Net position of business-type activities	$ 4,238,241

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

Village of Alamance
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2023

Exhibit 7

	Water and Sewer Fund
OPERATING REVENUES	
Charges for services	$ 366,448
Water and sewer taps	6,767
Water and sewer impact fees	1,000
Other operating revenue	6,456
Total operating revenues	380,671
OPERATING EXPENSES	
Administration	20,878
Operations	417,564
Depreciation	146,739
Total operating expenses	585,181
Operating income (loss)	(204,510)
NONOPERATING REVENUES (EXPENSES)	
Interest on assessment	8,516
Miscellaneous income	15,395
Total nonoperating revenue (expenses)	23,911
Income (loss) before contributions and transfers	(180,599)
Capital contributions	166,041
Loss on disposal of asset	-
	166,041
TRANSFERS	
Transfers (to) from General Fund	168,115
Change in net position	153,557
Total net position - beginning	4,084,684
Total net position - ending	$ 4,238,241

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

Village of Alamance
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2023

Exhibit 8

	Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 373,281
Cash paid for goods and services	(472,362)
Cash paid to or on behalf of employees for services	(7,130)
Customer deposits	800
Other operating revenue received	6,546
Net cash provided (used) by operating activities	(98,865)
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES	
Other non-operating revenue	15,395
Net cash provided (used) by non capital financing activities	15,395
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(64,517)
New loan	-
Loan payments	(12,799)
Contributed Capital - Grants	166,041
Transfers (to) from other funds	168,115
Other non-operating revenue	-
Net cash provided (used) by capital and related financing activities	256,840
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	-
Net cash provided (used) by investing activities	-
Net increase (decrease) in cash and cash equivalents	173,370
Balances-beginning of the year	365,578
Balances-end of the year	$ 538,948
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income	$ (204,510)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and amortization	146,739
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(844)
(Increase) decrease in deferred outflows of resources for pensions	(1,290)
Increase (decrease) in accounts payable	(41,439)
Increase (decrease) in accrued vacation	108
Increase (decrease) in customer deposits	800
Increase (decrease) in pension liability	3,451
Increase (decrease) in deferred inflows of resources for pensions	(1,880)
Total adjustments	105,645
Net cash provided (used) by operating activities	$ (98,865)

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

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. These statements distinguish between the *governmental* and *business-type activities* of the Village. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

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

The Village reports the following major governmental fund:

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

The Village reports the following major enterprise fund:

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Village considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, The State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as beer and wine tax, collected and held by the State at year-end on behalf of the Village are recognized as revenue. Sales taxes are considered a shared revenue for the Village of Alamance because the tax is levied by Alamance County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues.

D. Budgetary Data

The Village's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for any Capital Project Fund. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the object level for the multi-year funds. All amendments must be approved by the governing board. During the year, amendments were made to the budget. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the Village to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. 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.

Cash and Cash Equivalents

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

Restricted Assets

Customer deposits held by the Village before any services are supplied are restricted to the service for which the deposit was collected.

Village of Alamance Restricted Cash

Water and Sewer Fund- Customer Deposits	$ 7,406
Total Restricted Cash	$ 7,406

Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Village levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date), however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2022. As allowed by State law, the Village has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Village's General Fund, ad valorem tax revenues are reported net of such discounts.

Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

Right to Use Assets

The Village has evaluated the applicability of GASB 87 and has determined they have no right to use lease assets or lease liabilities.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Village has one item that meets this criterion, contributions made to the pension plan in the 2023 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources.

This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Village has two items that meet the criterion for this category – property taxes receivable and pension deferrals.

Long-Term Obligations

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

Compensated Absences

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

The Village's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Village does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

> Restricted for Stabilization by State Statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund

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

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

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

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

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

Defined Benefit Cost-Sharing Plans

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

Estimates

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

2. Detail Notes on All Funds

A. Assets

Deposits

All the deposits of the Village are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Village's agent in the Village's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Village, these deposits are considered to be held by the Village's agent in the Village's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Village or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Village under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Village has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Village complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2023 the Village's deposits had a carrying amount of $1,052,973 and a bank balance of $1,062,174. Of the bank balance, $250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. Petty cash on hand at June 30, 2023 was $97.

Investments

At June 30, 2023, the Village had $2,966,513 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's. The Village has no formal policy regarding credit risk of its investments, but has internal management procedures that limits the Village's investments to the provisions of G.D. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated.

Receivables – Allowance for Doubtful Accounts

The amounts presented in Exhibit 1, the Balance Sheet and the Statement of Net position, are net of an allowance for doubtful accounts in the amount of $455 for the General Fund taxes receivable.

Capital Assets

Capital asset activity for the Village for the year ended June 30, 2023, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated				
Land	$ 46,468	$ -	$ -	$ 46,468
Total capital assets not being depreciated	46,468	-	-	46,468
Capital assets being depreciated:				
Buildings	313,260	6,993	-	320,253
Equipment and furniture	87,070	7,315	945	93,440
Infrastructure	1,171,831	128,593	-	1,300,424
Total capital assets being depreciated	1,572,161	142,901	945	1,714,117
Less accumulated depreciation for:				
Buildings	105,319	7,302	-	112,621
Equipment and furniture	61,947	7,101	845	68,203
Infrastructure	201,926	39,979	-	241,905
Total accumulated depreciation	369,192	$ 54,382	$ 845	422,729
Total capital assets being depreciated, net	1,202,969			1,291,388
Governmental activity capital assets, net	$ 1,249,437			$ 1,337,856

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

By function:	
General Government	$ 25,871
Public Safety	573
Transportation	17,174
Environmental Protection	10,764
Total depreciation expense	$ 54,382

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Capital assets not being depreciated				
Land	$ 7,000	$ -	$ -	$ 7,000
Construction in process	-	68,980	-	68,980
Total capital assets not being depreciated	7,000	68,980	-	75,980
Capital assets being depreciated:				
Water and sewer systems	5,812,256	-	-	5,812,256
Office equipment and furniture	22,672	3,929	-	26,601
Building	5,305	-	-	5,305
Total capital assets being depreciated	5,840,233	3,929	-	5,844,162
Less accumulated depreciation for:				
Water and sewer systems	1,997,424	146,595	-	2,144,019
Office equipment and furniture	22,664	144	-	22,808
Building	5,305	-	-	5,305
Total accumulated depreciation	2,025,393	$ 146,739	$ -	2,172,132
Total capital assets being depreciated, net	3,814,840			3,672,030
Business-type activity capital assets, net	$ 3,821,840			$ 3,748,010

Construction Commitments

The Village has one active construction project as of June 30, 2023.

At year end, the Village's commitments with contractors are as follows:

Project	Spent to date	Remaining Commitment
Cardinal Lane	$ -	$ 357,695
	$ -	$ 357,695

B. Liabilities

1. *Pension Plan and Postemployment Obligations*

a. Local Governmental Employees' Retirement System

Plan Description.

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

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Village of Alamance employees are required to contribute 6% of their compensation. Employer contributions are actuarilly determined and set annually by the LGERS Board of Trustees. The Village of Alamance's contractually required contribution rate for the year ended June 30, 2023, was 12.10% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Village of Alamance were $8,319 for the year ended June 30, 2023.

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

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

At June 30, 2023, the Village reported a liability of $47,388 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022.

The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2022 and 2021, the Village's proportion was 0.00084%.

For the year ended June 30, 2023, the Village recognized pension expense of $11,125. At June 30, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,042	$ 200
Changes of assumptions	4,728	-
Net difference between projected and actual earnings on pension plan investments	15,662	-
Changes in proportion and differences between Village contributions and proportionate share of contributions	-	3,470
Village contributions subsequent to the measurement date	8,319	-
Total	$ 30,751	$ 3,670

$8,319 reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	$ 5,038
2025	4,925
2026	1,338
2027	7,462
2028	-
Thereafter	-
	$ 18,763

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

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

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

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

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation
Fixed Income	23.9%
Public Equity	35.8%
Cash and receivables	14.3%
Other	26.0%
Total	100.0%

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.5%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Village's proportionate share of the net pension liability to changes in the discount rate. The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the Village's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.5%)
Village's proportionate share of the pension pension liability (asset)	$ 50,008	$ 12,882	$ (17,670)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

Other Postemployment Benefits (OPEB)

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

2. *Deferred Outflows and Inflows of Resources*

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

	Deferred Outflows of Resources
Differences between expected and actual experience	$ 2,042
Changes of assumptions	4,728
Net difference between projected and actual earnings on pension plan investments	15,662
Changes in proportion and differences between Village contributions and proportionate share of contributions	-
Village contributions subsequent to the measurement date	8,319
Total	$ 30,751

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

	Statement of Net Position	General Fund Balance Sheet
Taxes Receivable (General Fund)	$ -	$ 4,123
Net difference between expected and actual experience	200	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,470	-
Total	$ 3,670	$ 4,123

3. *Risk Management*

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

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

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

4. *Long-Term Obligations*

a. Installment Purchase

In October 2010, the Village entered into a clean water state revolving loan agreement with the State of North Carolina to finance the second water line connection. The contract requires principal payments of $12,799 annually, with a stated interest rate of 0 percent. The original loan was for $255,970 with an outstanding balance of $89,590 net of amortization.

b. General Obligation Indebtedness

At June 30, 2023, the Village of Alamance had no authorized but uninsured bonds outstanding and had a legal debt margin of $9,935,838.

The following table summarizes the annual requirements to amortize all long-term debt outstanding at June 30, 2023 (excluding vacation pay and any claims or judgments).

Fiscal Year	General Obligation Bonds		Other Long-Term Indebtdness		Total Debt Due	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ -	$ -	$ 12,799	$ -	$ 12,799	$ -
2025	-	-	12,799	-	12,799	-
2026	-	-	12,799	-	12,799	-
2027	-	-	12,799	-	12,799	-
2028	-	-	12,799	-	12,799	-
2029-2031	-	-	25,595	-	25,595	-
	$ -	$ -	$ 89,590	$ -	$ 89,590	$ -

Changes in Long-Term Term Liabilities	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023	Current Portion of Balance
Governmental activities:					
Compensated absences	$ 6,486	$ 978	$ -	$ 7,464	$ 2,831
Net pension liability (LGERS)	11,594	31,055	-	$ 42,649	-
Governmental activity long-term liabilities	$ 18,080	$ 32,033	$ -	$ 50,113	$ 2,831
Business-type activities:					
Notes payable	$ 102,387	$ -	$ 12,797	$ 89,590	$ 12,799
Compensated absences	721	108	-	829	-
Net pension liability (LGERS)	1,288	3,451	-	4,739	-
Business-type activity Long-term liabilities	$ 104,396	$ 3,559	$ 12,797	$ 95,158	$ 12,799

C. Transfers

Transfers to/from other funds at June 30, 2023, consist of the following:

From the General Fund to the Water and Sewer Fund for first Tranche of the ARPA grant	$(166,041)
From the General Fund to the Water and Sewer Capital Project for the earnings of the ARPA funds originally posted in the General Fund	$(8,391)
To the General Fund from the Water and Sewer Fund for the Town Hall's portion of the water bill	$6,317
To the Water and Sewer Fund from the General Fund for reimbursement of initial project costs	$68,980
From the Water and Sewer Fund to the General Fund for The Town Hall's portion of the water bill.	($6,317)
From the Water and Sewer Fund to the ARPA Capital Project for reimbursement of project costs	($31,151)
To the Water and Sewer Capital Project Fund from the Water and Sewer Fund for the first Tranche of the ARPA grant originally transferred from the General Fund to the Water and Sewer Fund	$166,041
From the Water and Sewer Capital Project to the General Fund for reimbursement of Project expenditures	($37,829)
To the Water and Sewer Capital Project from the General Fund for the earning originally posted to General Fund for the ARPA funds originally posted to the General Fund	$8,391

D. Net Investment in Capital Asset

	Business-Type
Capital Assets	$3,748,010
Less: Long-Term Debt	89,590
Net Investment in Capital Assets	$3,658,420

E. Fund Balance

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation:

Total fund balance – General Fund	$3,568,766
Less:	
Stabilization by State Statute	98,018
Streets – Powell Bill	-
Capital Projects and Municipal Building M&R	921,469
Remaining Fund Balance	2,549,279
	$ -

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

F. Summary Disclosure of Significant Contingencies

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

G. Significant Effects of Subsequent Events

In accordance with ASC 855, the Village evaluated subsequent events through October 31, 2023, the date the financial statements were available to be issued. The Village of Alamance has received the both tranches of the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) for a total amount of $332,083. The Village was also awarded $315,000 from the General Assembly for the Village to be reimbursed as spent on allowable costs. Both grants will be used for water and sewer related projects and maintenance and repairs in accordance with the agreements. The Village was also awarded an additional allocation of $200,000 after the June 30, 2023 year end from the General Assembly also to be used for water and sewer related projects.

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

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2022

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Village of Alamance's proportion of the net pension liability (asset) (%)	0.000840%	0.000840%	0.000890%	0.000930%	0.000970%	0.000990%	0.001000%	0.000980%	0.098992%
Village of Alamance's proportion of the net pension liability (asset) ($)	$47,338	$12,882	$31,803	$25,398	$23,012	$15,124	$21,223	$4,398	($5,838)
Village of Alamance's covered-employee payroll	$49,874	$47,499	$46,568	$45,211	$43,894	$42,616	$40,587	$39,791	$39,010
Village of Alamance's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	94.92%	27.12%	68.29%	56.18%	52.43%	35.49%	52.29%	11.05%	(14.97%)
Plan fiduciary net position as a percentage of the total pension liability**	84.14%	95.51%	88.61%	90.86%	98.09%	99.07%	102.64%	94.35%	96.45%

* 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.

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 8,319	$ 5,661	$ 4,821	$ 4,121	$ 3,549	$ 3,282	$ 3,068	$ 2,720	$ 2,778
Contributions in relation to the contractually required contribution	8,319	5,661	4,821	4,121	3,549	3,282	3,068	2,720	2,778
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
Village of Alamance's covered-employee payroll	$ 68,750	$ 49,874	$ 47,499	$ 46,568	$ 45,211	$43,894	$42,616	$40,587	$39,791
Contributions as a percentage of covered-	12.10%	11.35%	10.15%	8.85%	7.85%	146800.00%	7.20%	6.70%	6.98%

Village of Alamance, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2022

	2023			2022
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Ad valorem taxes:				
Current year	$ 221,000	$ 246,960	$ 25,960	$ 246,610
Prior years	-	1,343	1,343	4,861
Penalties and interest	500	887	387	1,259
Total	221,500	249,190	27,690	252,730
Other taxes:				
Local option sales tax	300,000	346,991	46,991	340,233
Unrestricted intergovernmental:				
Utility franchise tax	36,000	40,568	4,568	39,347
Solid waste disposal	600	774	174	791
Beer and wine tax	4,500	4,486	(14)	3,924
Total	41,100	45,828	4,728	44,062
Restricted intergovernmental:				
FEMA grant revenue	-	-	-	-
Powell Bill allocation	28,000	29,661	1,661	29,884
Total	28,000	29,661	1,661	29,884
Permits and fees:				
Permits	500	1,199	699	424
Total	500	1,199	699	424
Sales and services:				
Recycling fees	27,000	27,077	77	27,403
Total	27,000	27,077	77	27,403
Investment earnings	1,050	103,274	102,224	3,676
Miscellaneous:				
Coronavirus state and local fiscal recovery funds	-	-	-	166,041
Other	1,000	5,483	4,483	3,672
Total	1,000	5,483	4,483	169,713
Total revenues	620,150	808,703	188,553	868,125

Village of Alamance, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2022

	2023			2022
Expenditures	Budget	Actual	Variance Positive (Negative)	Actual
General government				
Governing body:				
Travel - Aldermen	$ 100	$ -	$ 100	$ -
	100	-	100	-
Administration:				
Salaries and wages - clerk	41,225	41,250	(25)	29,924
Temporary wages	12,000	4,813	7,187	6,786
Payroll taxes	3,300	3,352	(52)	2,586
Legal costs	16,700	14,850	1,850	16,431
Retirement	4,850	5,097	(247)	3,341
Health insurance	12,500	11,844	656	11,256
Telephone and internet	4,800	3,732	1,068	3,349
Travel	1,400	661	739	802
Advertising	3,000	1,861	1,139	984
Office supplies	3,000	1,698	1,302	214
Software	8,000	6,753	1,247	7,684
Website	2,000	1,275	725	1,157
Miscellaneous supplies	1,000	705	295	568
Janitorial supplies	200	-	200	30
Food and provisions	200	66	134	37
Jordan Lake	4,000	420	3,580	200
Postage	1,100	1,083	17	1,065
Dues and subscriptions	4,100	3,726	374	2,953
Insurance and bond - clerk	375	375	-	300
Insurance - general	2,300	1,899	401	1,786
Maintenance	27,000	18,591	8,409	8,830
Printing	2,000	1,542	458	1,726
Security service	600	360	240	560
Utilities	13,000	10,039	2,961	11,264
Training	4,000	1,530	2,470	200
Gifts and flowers	500	161	339	-
Bank charges	500	1,400	(900)	1,363
Code enforcement	10,000	4,645	5,355	-
Professional services - engineer	20,500	16,279	4,221	28,980
Miscellaneous	6,000	1,733	4,267	5,798
Capital outlay	60,900	14,308	46,592	10,851
Christmas lights	5,000	2,675	2,325	-
Plaid day festival	5,000	4,554	446	-
Total	281,050	183,277	97,773	161,025

Village of Alamance, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2022

	2023			2022
	Budget	Actual	Variance Positive (Negative)	Actual
Elections:				
Contracted Services	$ -	$ -	$ -	$ 3,668
	-	-	-	3,668
Finance:				
Salaries and wages - finance officer	19,200	20,625	(1,425)	14,962
Payroll taxes	2,570	1,676	894	1,293
Retirement	2,430	2,496	(66)	1,698
Professional services	20,800	19,170	1,630	17,370
Total	45,000	43,967	1,033	35,323
Tax billing and collection				
Contracted service with Alamance County	8,000	5,485	2,515	5,552
Total general government	334,150	232,729	101,421	205,568
Public safety				
Law enforcement:				
Contracted services - City of Burlington	6,000	5,158	842	5,612
Total public safety	6,000	5,158	842	5,612
Transportation				
Streets:				
Repairs and construction	180,000	(81)	180,081	15,200
Professional services - engineer	30,000	15,909	14,091	3,090
Street lights	12,000	10,071	1,929	8,784
Miscellaneous expense	1,000	-	1,000	-
Capital construction and capital - roads and pavement	45,000	128,593	(83,593)	121,228
Street repair contract	-	-	-	-
Total transportation	268,000	154,492	113,508	148,302

Village of Alamance, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2022

	2023			2022
	Budget	Actual	Variance Positive (Negative)	Actual
Environmental protection				
Solid waste:				
Contracted services and disposal	$ 65,300	$ 59,890	$ 5,410	$ 69,882
Recycling	21,700	19,445	2,255	20,421
Yard waste	25,000	17,499	7,501	19,886
Total environmental protection	112,000	96,834	15,166	110,189
Total expenditures	720,150	489,213	230,937	469,671
Revenues over expenditures	(100,000)	319,490	419,490	398,454
Other financing sources (uses):				
Transfers (to) from other funds:				
Water and Sewer Fund	-	(168,115)	(168,115)	7,695
Capital Project Fund	-	-	-	-
Appropriated Fund Balance	100,000	-	(100,000)	-
Total	100,000	(168,115)	(268,115)	7,695
Net change in fund balance	$ -	151,375	$ 151,375	406,149
Fund balance				
Beginning of year - July 1		3,417,391		3,011,242
End of year - June 30		$ 3,568,766		$ 3,417,391

Village of Alamance, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2023
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2022

	2023			2022
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Operating revenues:				
Water charges	$ 171,000	$ 182,646	$ 11,646	$ 174,791
Sewer charges	172,500	183,802	11,302	169,680
Taps and connection fees	-	6,767	6,767	2,275
Other operating income	6,000	6,456	456	5,210
Water impact fees	-	75	75	1,150
Sewer impact fees	-	925	925	1,850
Total operating revenues	349,500	380,671	31,171	354,956
Nonoperating revenues:				
Investment earnings	100	125	25	125
Miscellaneous income	100	15,395	15,295	6,574
Total nonoperating revenues	200	15,520	15,320	6,699
Total revenues	349,700	396,191	46,491	361,655
Expenditures				
Administration:				
Salary - finance officer	6,670	6,875	(205)	4,987
Payroll taxes	550	559	(9)	431
Retirement	810	832	(22)	566
Legal costs	2,210	1,650	560	1,800
Professional services - accounting	3,000	2,130	870	1,930
Telephone	400	382	18	292
Utilities	650	439	211	366
Postage	4,000	2,862	1,138	2,713
Travel	70	73	(3)	69
Advertising	300	12	288	-
Office supplies	500	298	202	-
Printing	255	159	96	103
Dues and subscriptions	850	295	555	285
State permits	1,650	1,650	-	1,650
Insurance and bond - finance officer	375	375	-	300
Insurance - general	2,200	1,899	301	1,786
Total Administration	24,490	20,490	4,000	17,278
Operations:				
Wages - temporary	1,200	535	665	754
Professional services-Engineer	62,000	16,970	45,030	3,764
Utilities	4,000	3,177	823	2,988
Telephone	3,500	3,459	41	2,658
Contract water services	87,000	76,190	10,810	88,338
Contract sewer services	115,000	112,447	2,553	114,519
Maintenance - water	24,000	17,141	6,859	16,550
Maintenance - sewer	148,000	124,675	23,325	44,230

Village of Alamance, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2023
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2022

	2023			2022
	Budget	Actual	Variance Positive (Negative)	Actual
Water sampling	$ 7,500	$ 3,675	$ 3,825	$ 4,151
Water taps & meters	33,700	33,676	24	10,807
Repairs - developer/contractor	-	-	-	-
Utility locator	8,000	8,234	(234)	6,057
Miscellaneous supplies	4,500	706	3,794	1,341
Mowing	17,000	16,677	323	12,650
Total operations	515,400	417,562	97,838	310,829
Debt service:				
Principal retirement	12,800	12,799	1	12,799
Total debt service	12,800	12,799	1	12,799
Capital outlay:				
Equipment	-	-	-	-
Furniture	3,850	3,929	(79)	-
Total capital outlay	3,850	3,929	(79)	-
Total expenditures	556,540	454,780	101,760	340,906
Revenues over (under) expenditures	(206,840)	(58,589)	148,251	20,749
Other financing sources (uses):				
Appropriated Fund Balance	206,840	-	206,840	-
Transfer to Capital Project	-	(31,151)	31,151	-
Operating transfer to General Fund	-	62,662	(62,662)	(7,695)
	206,840	31,511	175,329	(7,695)
Revenue and other sources over (under) expenditures and other uses	$ -	(27,078)	$ (27,078)	13,054
Reconciliation of budgetary (modified accrual) basis to full accrual:				
Reconciling items:				
Principal retirement		12,799		12,799
Capital outlay		3,929		-
Contributed capital		-		17,600
(Increase)/decrease in accrued vacation pay		(109)		(198)
Pension expense		(281)		228
Restricted income from capital reserve fund		-		1,000
ARPA grant money from capial project		166,041		-
Dividends from ARPA capital projet		8,391		-
Transfer of ARPA grant from GF		166,041		-
Transfer from GF of grant expenditures		(29,437)		-
Depreciation		(146,739)		(146,375)
Total reconciling items		180,635		(114,946)
Net income (loss)		$ 153,557		$ (101,892)

Village of Alamance, North Carolina **Schedule 3**
Capital Reserve Fund - System Development Fees
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2022

	2023			2022
	Budget	Actual	Variance Positive (Negative)	Actual
Expenditures				
Capital Outlay Equipment	-	-	-	-
Total Expenditures	-	-	-	-
Revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Transfer to Water and Sewer Fund	-	-	-	-
Transfer from Water and Sewer Fund	-	-	-	1,000
Revenues and other sources over (under) expenditures	$ -	-	$ -	1,000
Fund balance, beginning		4,000		3,000
Fund balance, ending		$ 4,000		$ 4,000

Village of Alamance, North Carolina **Schedule 4**

Capital Project Fund - American Rescue Plan Act

Schedule of Revenues, Expenditures, and

Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total To Date	
Revenues:					
Coronavirus State and Local fiscal recovery funds	$ 166,041	$ -	$ 166,041	$ 166,041	$ -
Coronavirus State and Local fiscal recovery funds transferred from GF	166,041		166,041	166,041	-
Dividends earned	8,391		8,391	8,391	-
Total revenues	340,473	-	340,473	340,473	-
Expenditures:					
Pump and Siphon Station maintenance and repair:					
Transferred from Water Sewer Fund	31,151	-	31,151	31,151	-
Transferred from General Fund	37,829	-	37,829	37,829	-
Dogwood Lane water infrastructure	166,000	-	-	-	166,000
Administrative expenses	6,493	-	-	-	6,493
Cardinal Lane Sewer Project:					
Engineering	27,500			-	27,500
Construction	60,000			-	60,000
Contingency	11,500			-	11,500
Total expenditures	340,473	-	68,980	68,980	271,493
Revenues over (under) expenditures	-	-	271,493	271,493	271,493
Net change in fund balances	$ -	$ -	271,493	$ 271,493	$ 271,493
Fund balances:					
Beginning of year, July 1			-		
End of year, June 30			$ 271,493		

Village of Alamance, North Carolina **Schedule 5**

General Fund

Schedule of Ad Valorem Taxes Receivable

June 30, 2023

Fiscal Year	Uncollected Balance June 30, 2022	Additions	Collections and Credits	Uncollected Balance June 30, 2023
2022-2023	$ -	$ 248,396	$ 246,636	$ 1,760
2021-2022	2,124	-	1,293	831
2020-2021	910	-	37	873
2019-2020	789	-	139	650
2018-2019	352	-	91	261
2017-2018	65	-	12	53
2016-2017	52	-	17	35
2015-2016	56	-	16	40
2014-2015	50	-	17	33
2013-2014	60		18	42
2012-2013	47	-	47	-
	$ 4,505	$ 248,396	248,323	4,578
	Less: Allowance for uncollectible ad valorem taxes receivable			(455)
	Ad valorem taxes receivable - net			$ 4,123

Reconcilement with revenues:

Ad valorem taxes - General Fund	$ 249,190
Reconciling items:	
Interest collected	(887)
Write-off of 2012-2013 taxes per statute of limitations	47
Releases and adjustments	(27)
Subtotal	(867)
Total collections and credits	$ 248,323

Schedule 6

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

For the Fiscal Year Ended June 30, 2023

	Village - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Ad Valorem Property tax	$ 104,275,945	0.20	$ 208,552	$ 208,552	$ -
Motor vehicles	19,922,031	0.20	39,844	-	39,844
Total levy	$ 124,197,976		248,396	208,552	39,844
Less: Uncollected tax at June 30, 2023			(1,760)	(1,760)	-
Current year's taxes collected			$ 246,636	$ 206,792	$ 39,844
Current levy collection percentage			99.29%	99.16%	100.00%

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

Board of Aldermen
Village of Alamance
Alamance, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Alamance as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprises the Village of Alamance's basic financial statements, and have issued our report thereon dated October 31, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Alamance'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 the Village of Alamance's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Alamance'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.

MEMBER OF:
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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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Alamance's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cobb Ezekiel Gay & Company, PA

Certified Public Accountants
Graham, North Carolina
October 31, 2023