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**Orange County**  
2010 Audited Financial Statements



# Audit Highlights

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- ❑ Unqualified opinion
- ❑ No findings or questioned costs



# Audit Process

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- Planning and risk assessment
- Interim procedures
- Final procedures
- Year-round process



## Budget vs. Actual General Fund

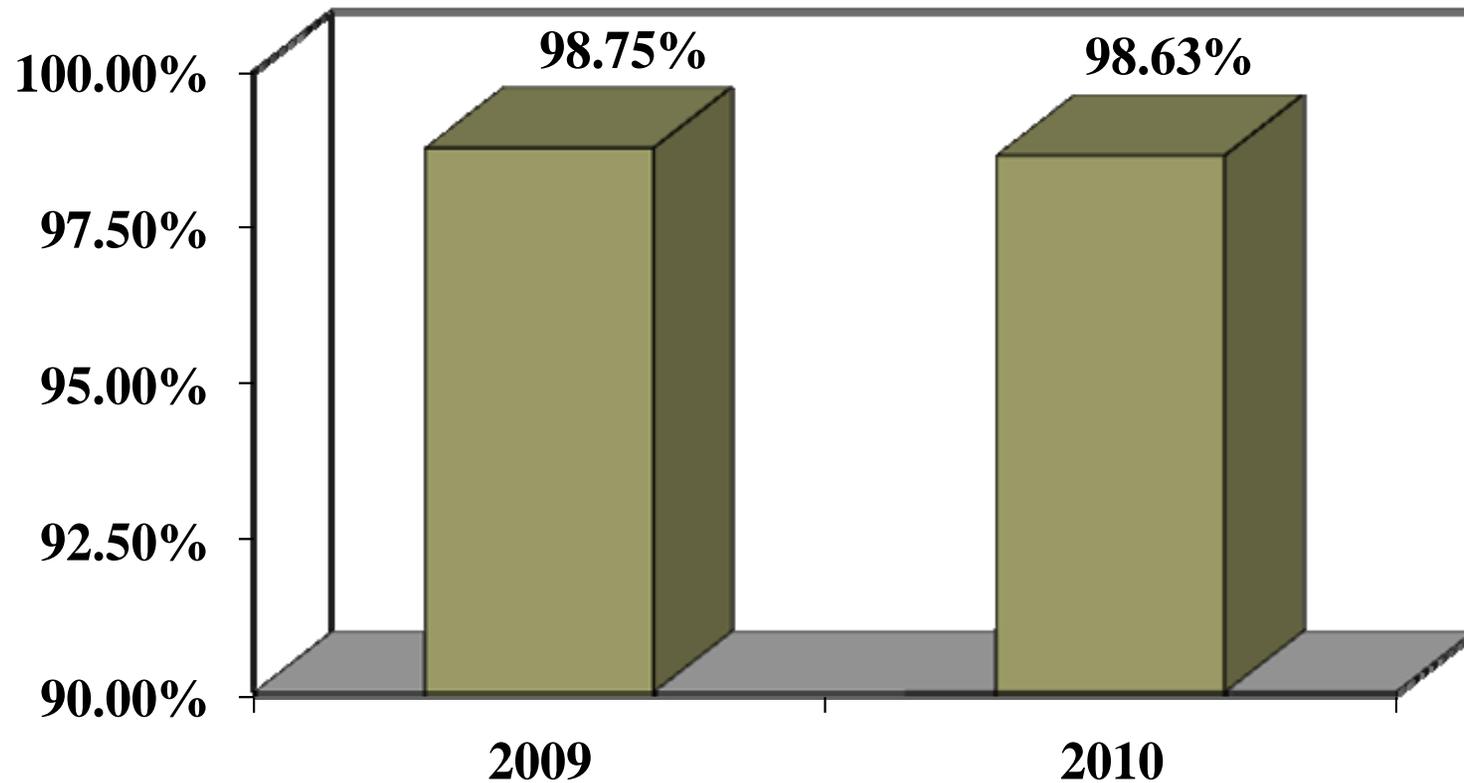
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	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues	\$ 177,578,024	\$ 177,671,063	\$ 93,039
Expenditures	174,825,408	167,852,563	6,972,845
Other financing sources (uses)	<u>(2,752,616)</u>	<u>(8,537,393)</u>	<u>(5,784,777)</u>
Change in fund balance	<u>\$ -</u>	<u>\$ 1,281,107</u>	<u>\$ 1,281,107</u>



# Tax Collection Percentages

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# Fund Balance

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Serves as a measure of the County's financial resources available.

➤ **Assets – Liabilities = Fund Balance**

3 Classifications:

- Reserved
- Unreserved Designated (Available)
- Unreserved Undesignated (Available)



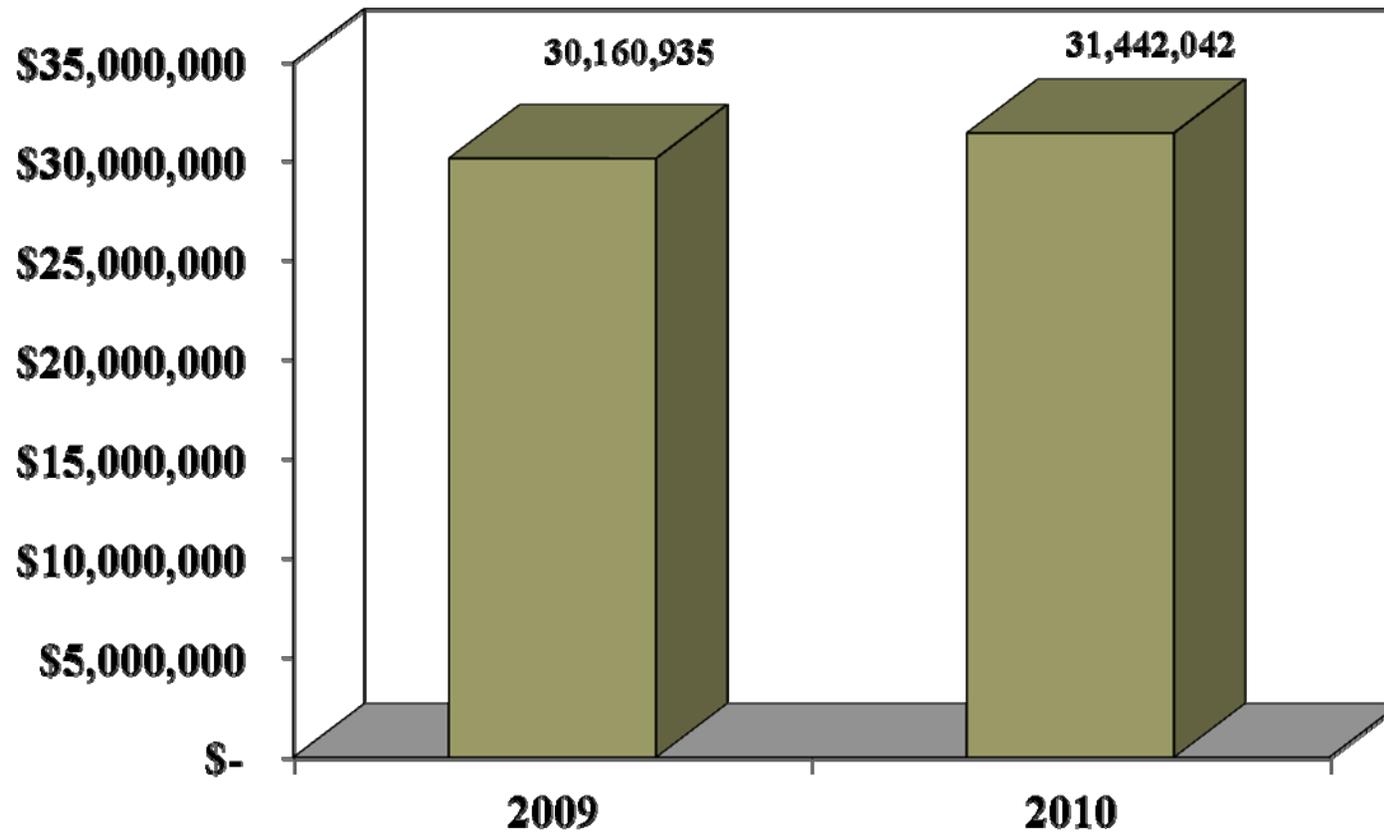
# Fund Balance (General Fund)

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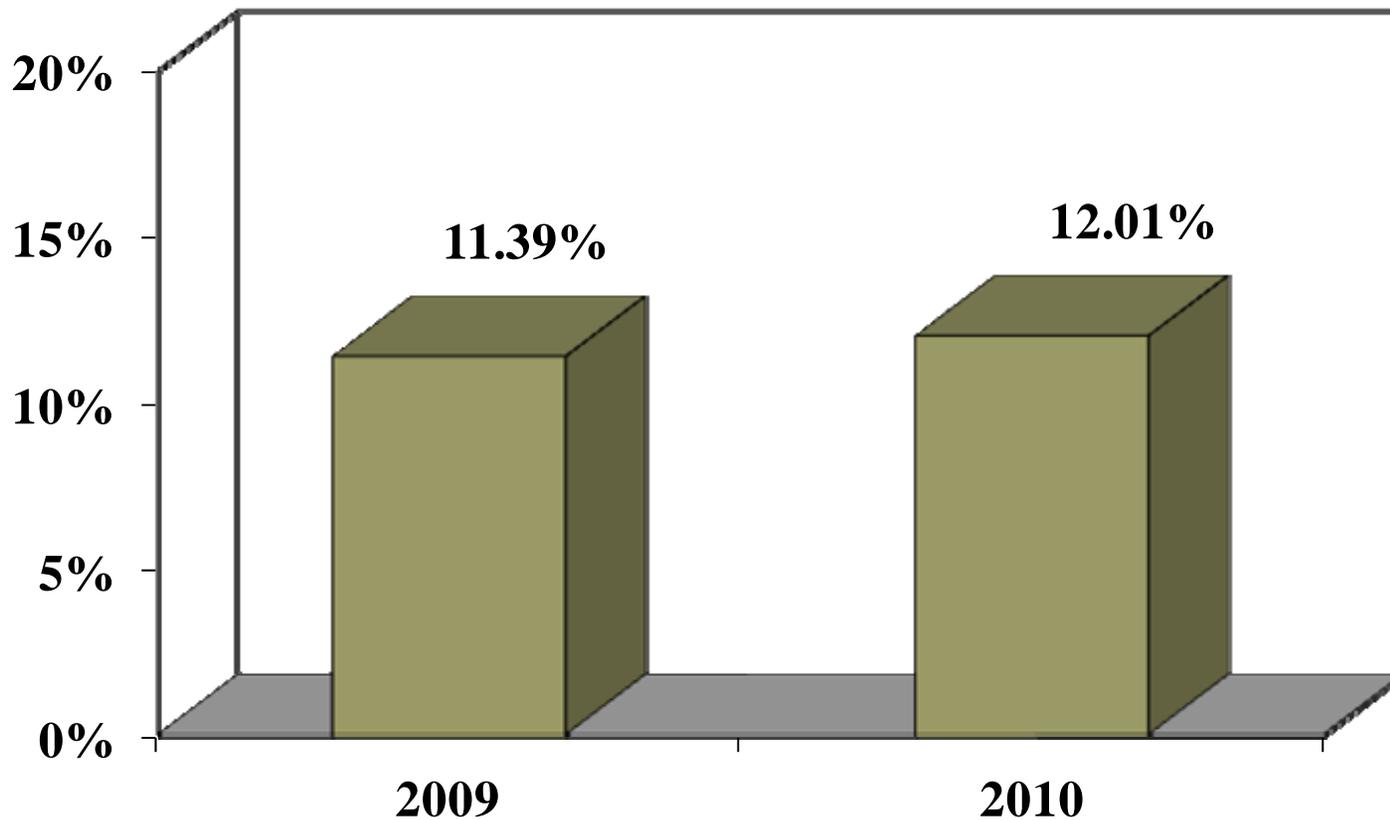
	<b>Fiscal Year 2009</b>	<b>Fiscal Year 2010</b>	<b>Change</b>
Reserved	\$ 9,195,023	\$ 9,942,748	\$ 747,725
Unreserved, designated	1,988,442	401,673	(1,586,769)
Unreserved, undesignated	<u>18,977,470</u>	<u>21,097,621</u>	<u>2,120,151</u>
Total fund balance	<u><u>\$ 30,160,935</u></u>	<u><u>\$31,442,042</u></u>	<u><u>\$ 1,281,107</u></u>

# Fund Balance History (General Fund)

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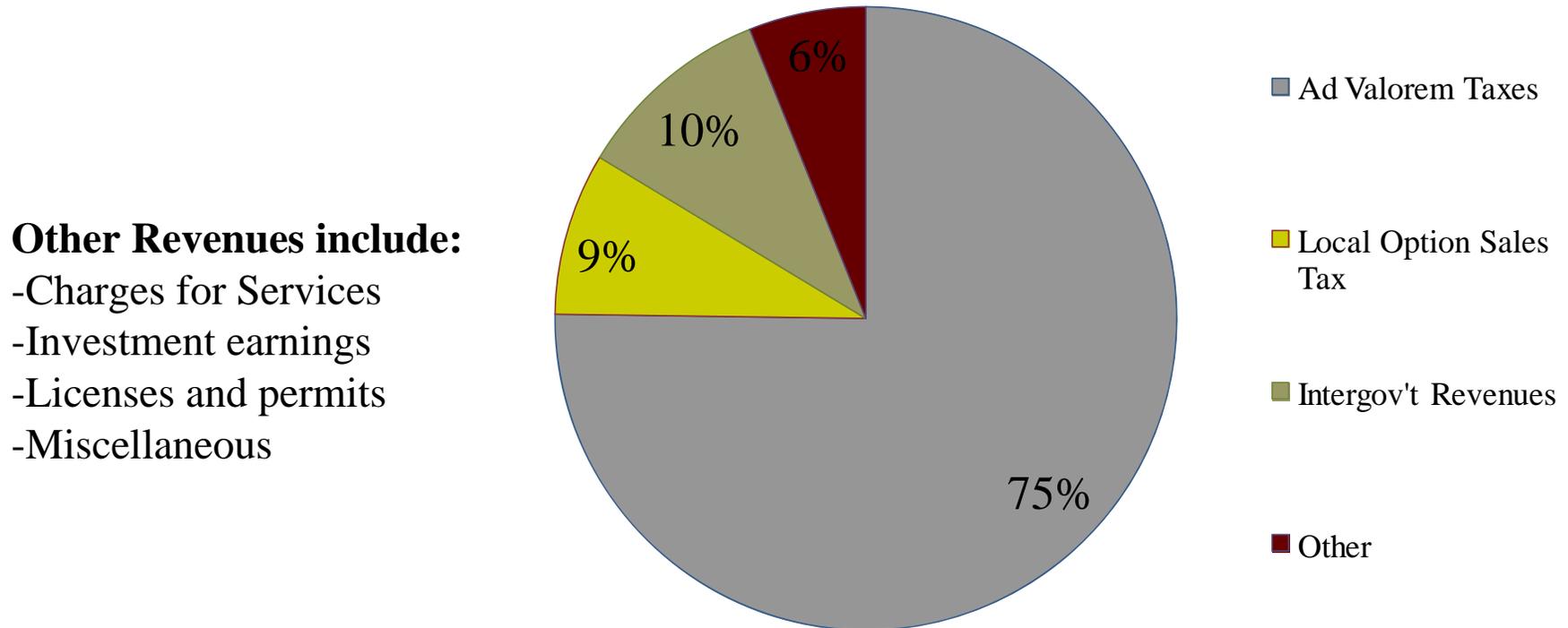


# Unreserved Fund Balance as a Percent of Expenditures – General Fund



# Top 3 Revenues – General Fund

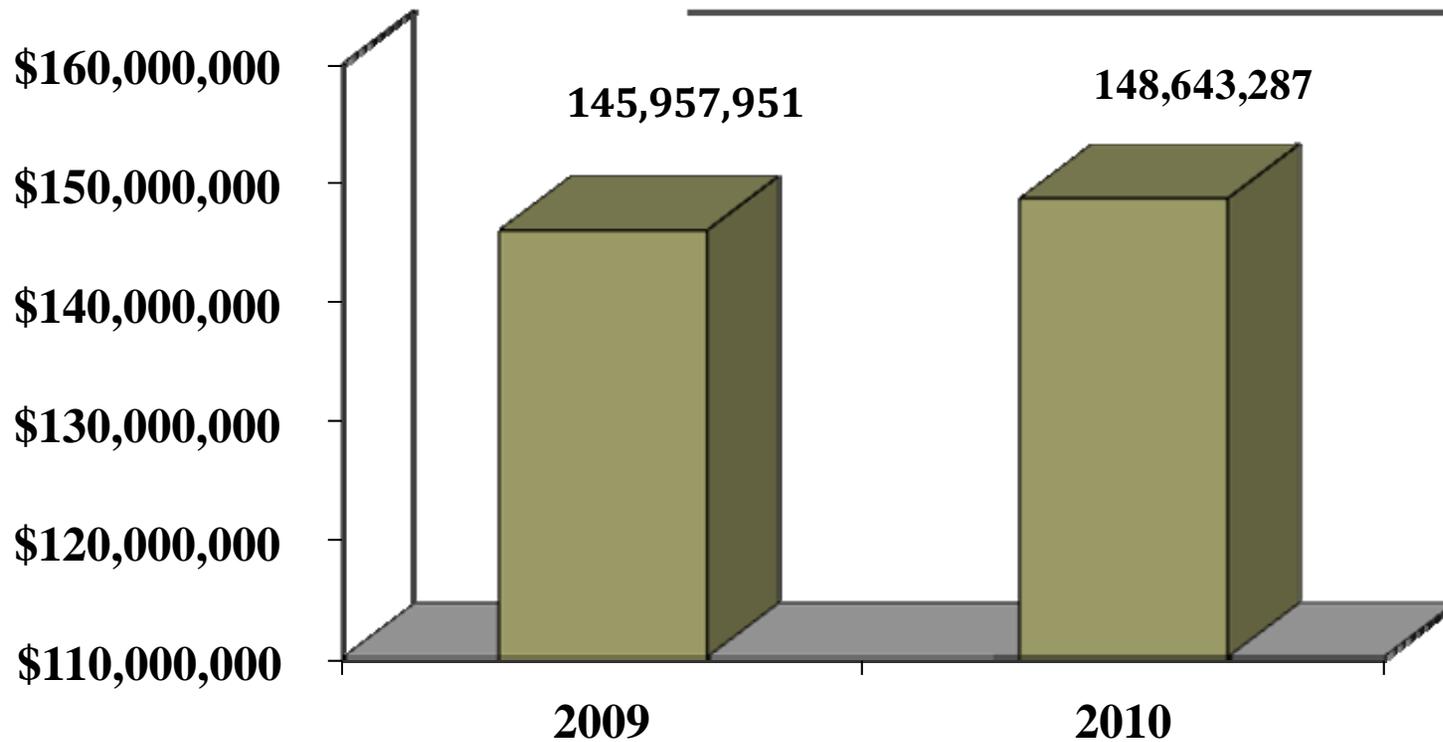
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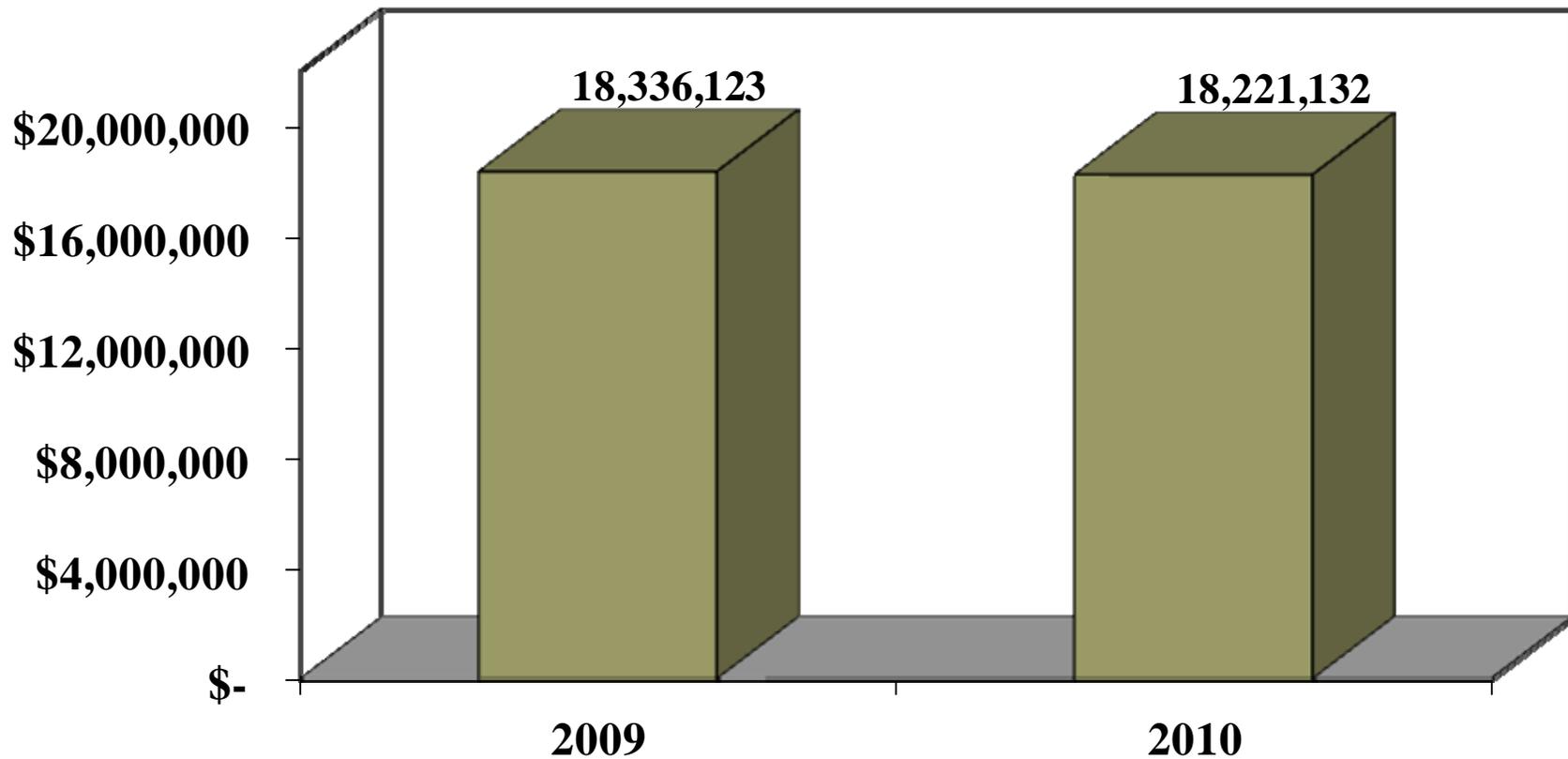
# Taxes

(Ad Valorem and Local Option Sales)

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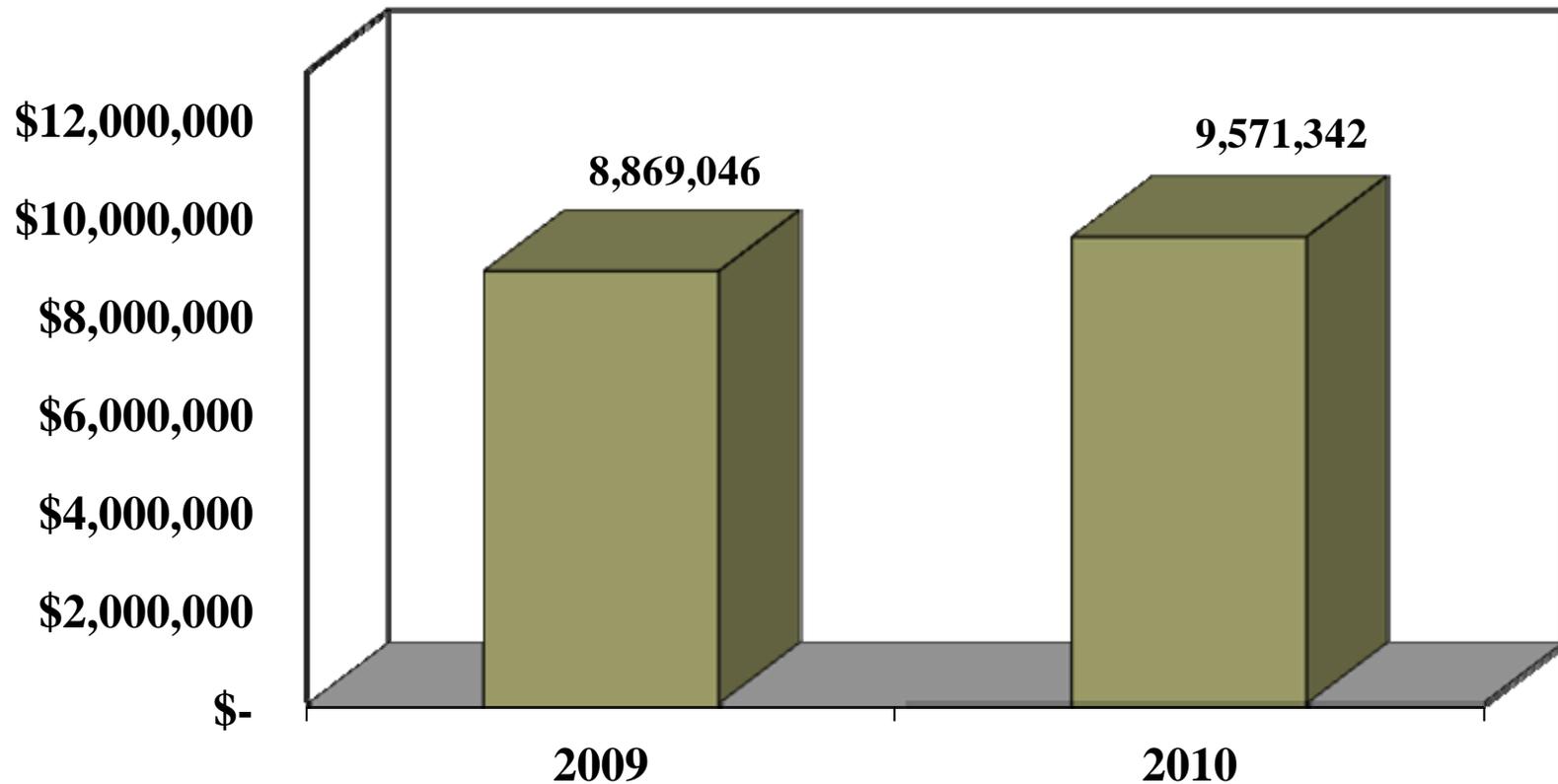


# Intergovernmental



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# Charges for Services



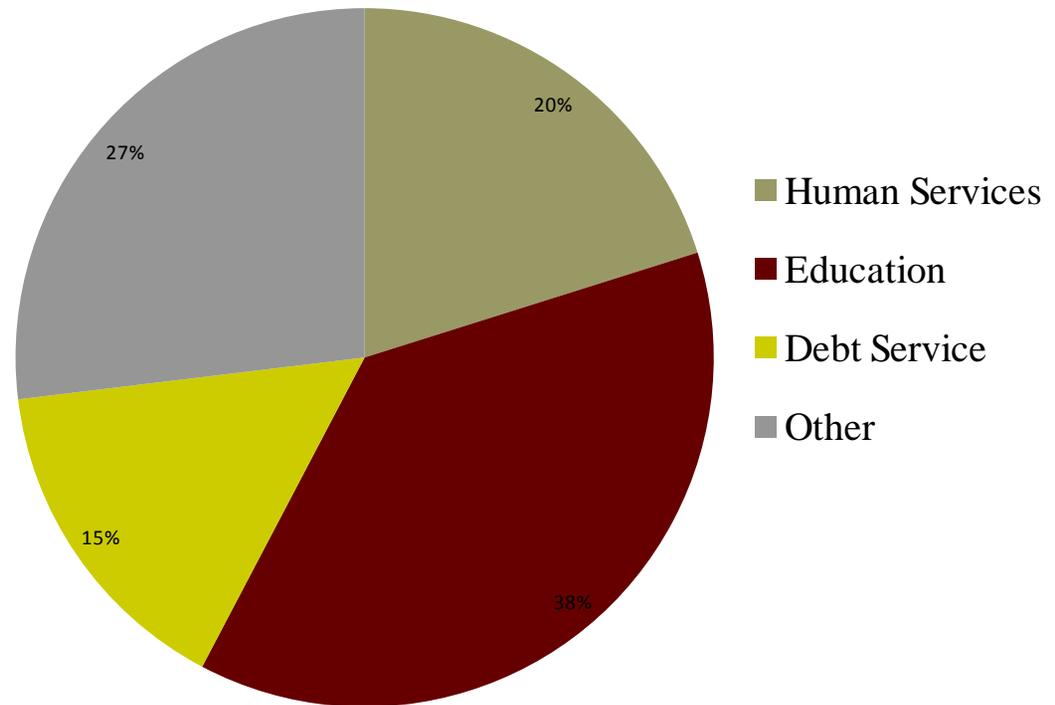
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# Top 3 Expenditures – General Fund

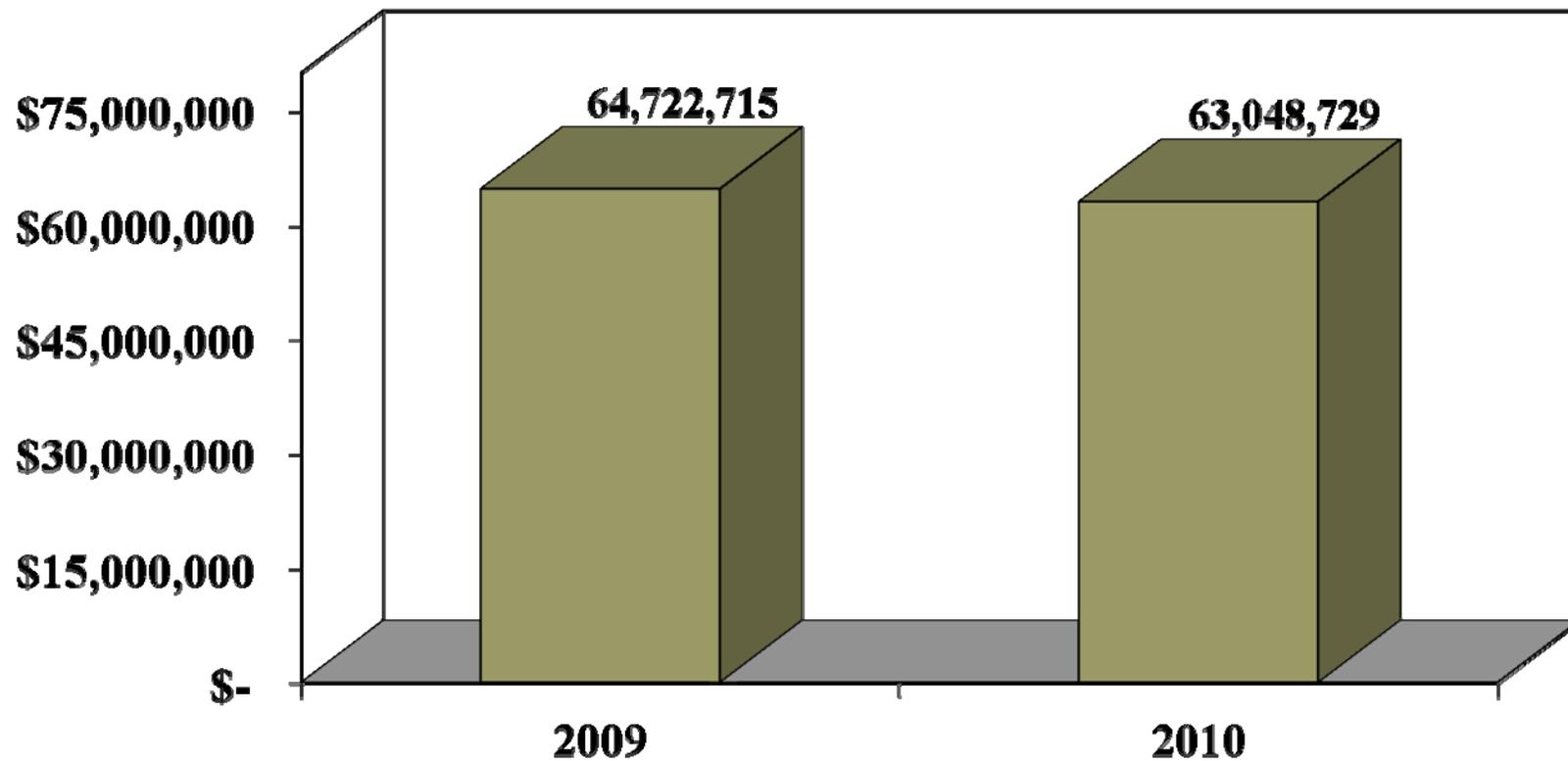
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## Other Expenses Include:

- Governing and management
- General services
- Community and environment
- Public Safety
- Culture and Recreation



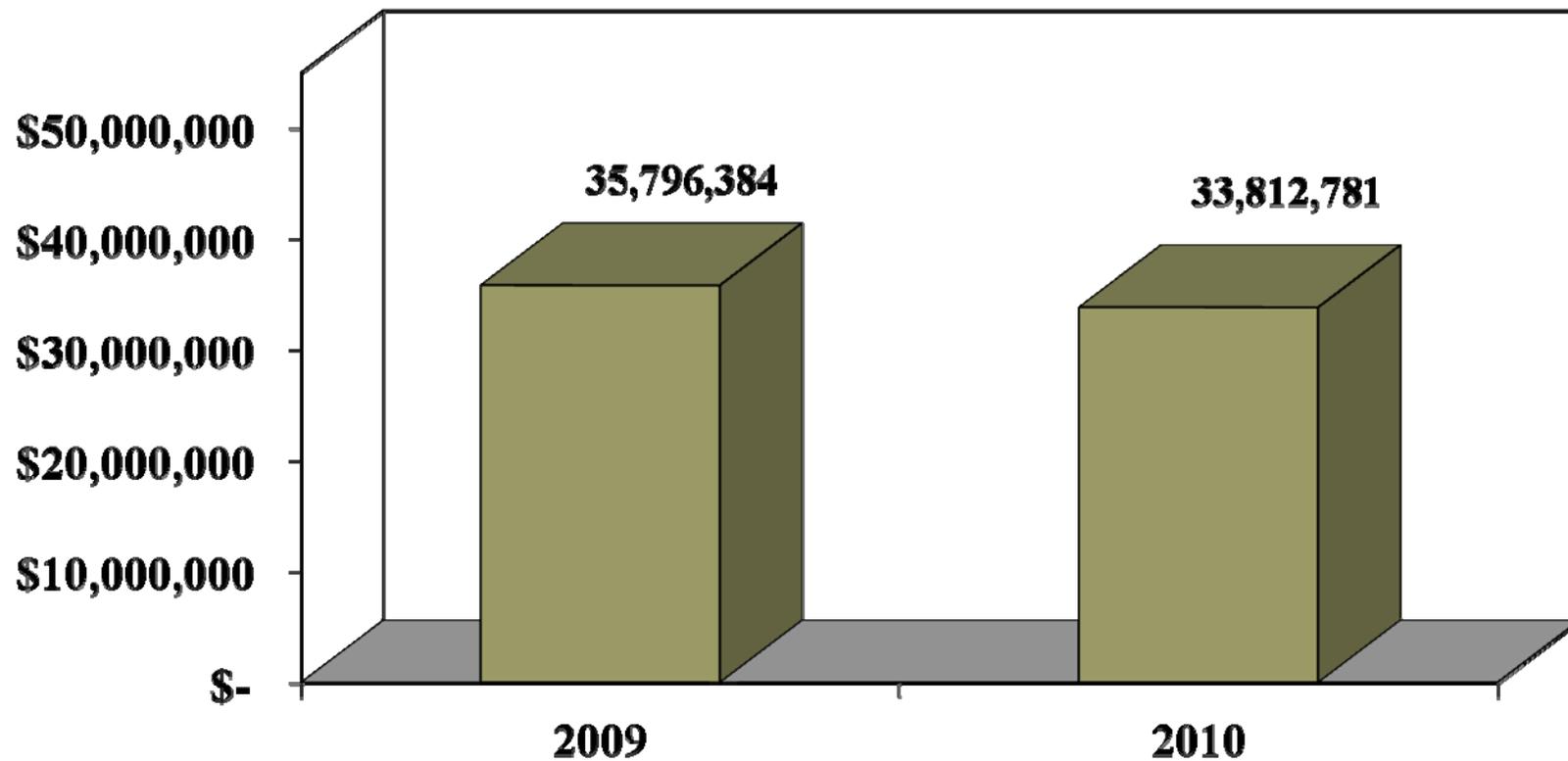
# Education Expenditures



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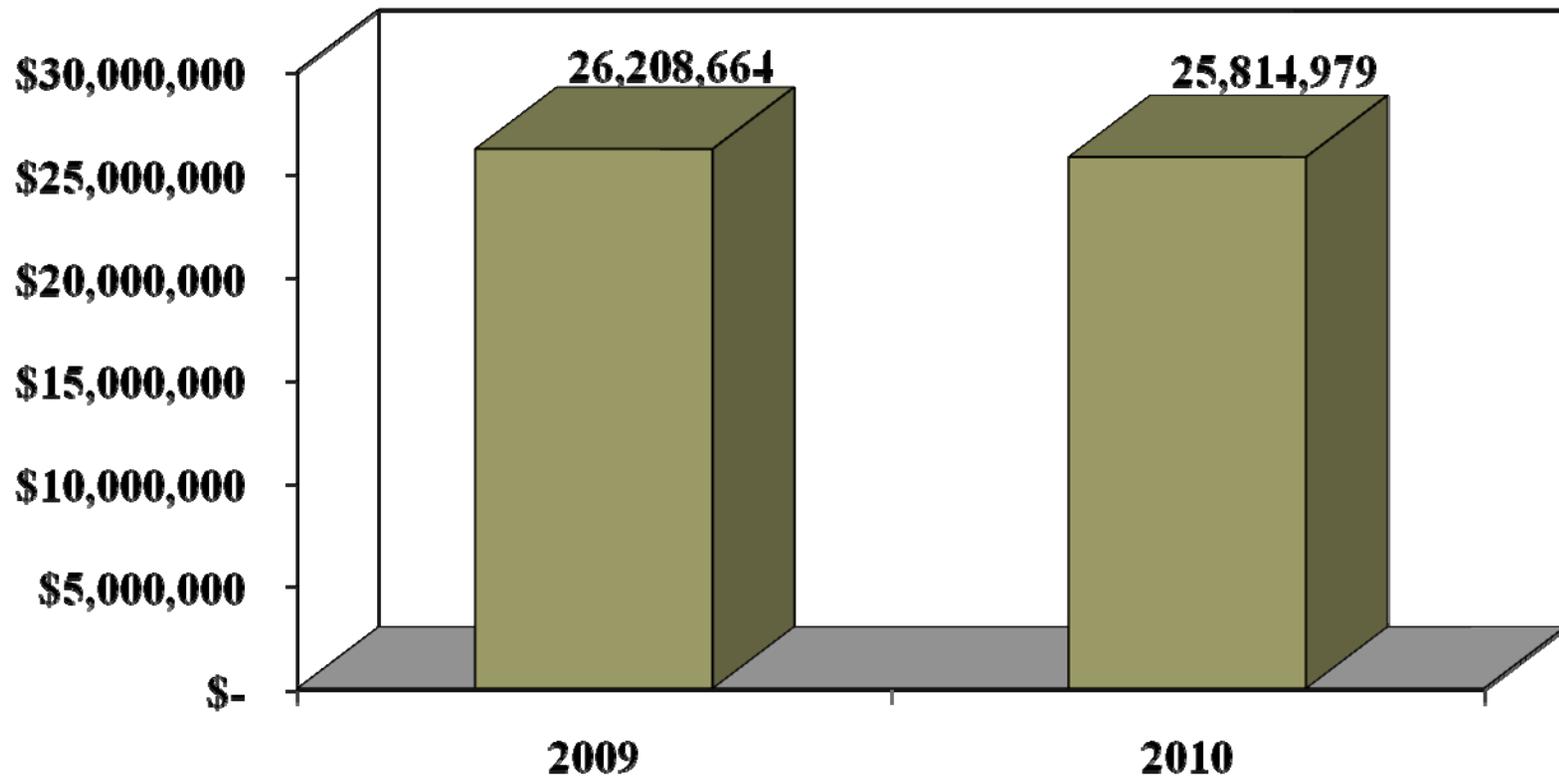
# Human Services Expenditures

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# Debt Service Expenditures



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# Major Enterprise Funds

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	<b>SportsPlex <u>Fund</u></b>	<b>Solid Waste <u>Fund</u></b>
❖ Total operating revenues	\$ 2,469,834	\$ 8,165,176
❖ Total operating expenses	\$ 2,654,303	\$ 11,119,607
❖ Operating Loss	\$ (184,469)	\$ (2,954,431)

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# Major Enterprise Funds

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	<b><u>Required Debt Service</u></b>	<b><u>Cash Flow From Operations</u></b>	<b><u>Unrestricted Net Assets</u></b>
□ Solid Waste	\$ 644,722	\$ 1,844,763	\$ (1,009,803)
□ SportsPlex	\$ 664,247	\$ 17,712	\$ 540,989



# Financial Reporting Change For 2011

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The County's financial statements for 2011 will reflect an accounting standards change regarding special revenue funds and fund balance reporting.

We will review the County's fund structure in the Spring of 2011 and alert management of any reporting changes that will be necessary.

# Current State/Local Conditions

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# Summary of Responses to Recession

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- 16 counties increase tax rate - Avg. of 3.3 cents
- 49 counties, of 95, cut budgets (again)

*(Source: NC County Commissioners Association)*



## Summary of Responses to Recession (cont.)

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- ❑ 44 counties report hiring freeze
- ❑ 43 counties cut positions
- ❑ 1000+ fewer positions, on top of 2009-10 cuts of 1000
- ❑ 14 counties laid off existing employees
- ❑ 595 county workers lost jobs

*(Source: NC County Commissioners Association)*



## Summary of Responses to Recession (cont.)

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- 7 counties implement mandatory furloughs
- Other actions include salary decreases, fewer paid holidays, decreased/stopped 401k
- 25 counties, of 95 counties reporting, see decreased property valuations
- 31 of 100 counties see assessed value above market value (Unprecedented in 20+ years of calculating market to av ratio)

*(Source: NC County Commissioners Association)*



## Summary of Responses to Recession (cont.)

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- 2009-10 sales taxes nearly 5% below 2008-09
- 2008-09 10% off 2007-08
- 48 counties rely on fund balance to help offset budget deficit in 2010
- 20 counties use fund balance to replace lottery funds
- 61 counties report using some or all of lottery funds for school debt service

*(Source: NC County Commissioners Association)*



# What Does Our State Legislature Face?

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The 2009-10 budget included:

- \$1.3 billion in temporary taxes
- \$1.6 billion federal stimulus dollars
- \$0.3 billion in non-recurring budget reductions
- **Summary: Static budget gap going into 2011-2012 \$3.2 billion**

*(Source: NC County Commissioners Association)*



# What Do The State Problems Mean to Local Government?

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- ❑ Expect “transformational” government at the State level
- ❑ Everything is on the table
- ❑ Local Revenue Options?
- ❑ Cuts (15%) / New Taxes / Tax Reform?
- ❑ Potential loss of 10,000+ state jobs
- ❑ Retirement System

*(Source: NC County Commissioners Association)*



# Orange County

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