

ORANGE COUNTY  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
JUNE 30, 2006

*Board of County Commissioners  
December 12, 2006*

# FISCAL HIGHLIGHTS

- General Fund Activity
- Fund Balance Position
- Debt Position
- Solid Waste Landfill Fund
- SportsPlex Enterprise Fund
- Single Audit and Grants
- Audit Results
- Future Financial Challenges

# GENERAL FUND REVENUES AND TRANSFERS

- REVENUES AND TRANSFERS TOTAL  
\$152.4 MILLION
- INCREASE OF 11.8% OVER 2005
- LEADING SOURCES OF REVENUE

Property Taxes	65.9%
Sales Taxes	13.9%
Intergovernmental	10.4%
Charges for Services	6.4%

# PROPERTY TAXES

- ASSESSED VALUE \$11.9 BILLION 2006
- INCREASE OF 18% OVER 2005 (Revaluation)
- **98.9% OF GROSS LEVY COLLECTED**
- REMAINS ONE OF THE STATE'S BEST  
(Statewide Average Rate 96.75%)

# GENERAL FUND EXPENDITURES AND TRANSFERS

- EXPENDITURES AND TRANSFERS  
TOTALLED \$149.1 MILLION
- INCREASE OF 9.6% OVER 2005
- LEADING EXPENDITURES INCLUDE
  - EDUCATION 46.7%
  - HUMAN SERVICES 21.8%
  - PUBLIC SAFETY 9.4%

# \$69.6 MILLION GENERAL FUND DOLLARS FOR EDUCATION

46.7% of Expenditures

- Current Expense      \$50.0 million
- Capital                      \$ 4.4 million
- Debt Service              \$15.2 million
- Number 1 in the State According to Most Recent  
Public School Forum Report

# FUND BALANCE POSITION

- \$15.5 Million Undesignated as of 6/30/2006
- Increase in Undesignated fund balance of \$2 Million.
- 10.36% of 2006 Expenditures.
- Exceeds LGC 8% Recommended Minimum

# FUND BALANCE INCREASE

	2004	2005	2006
General Fund Expenditures	\$129,269,331	\$136,108,928	149,121,006
Fund Balance Available	12,593,843	13,548,885	15,452,551
Fund Balance Available % of Expenditures	9.74%	9.95%	10.36%
Fund Balance Appropriated	1,714,451		
Undesignated Fund Balance	10,879,392	13,548,885	15,452,551
Undesignated Fund % of Expenditures	8.42%	9.95%	10.36%

# DEBT POSITION

- OUTSTANDING GENERAL FUND DEBT @ 6/30/06 \$188.8 MILLION
- NET INCREASE IN DEBT OF \$36.4
  - (\$51.2 MILLION NEW DEBT \$14.8 RETIRED)
- DEBT EVIDENCED BY

BONDS	\$148.2 MILLION
ALTERNATIVE	\$ 40.6 MILLION

# DEBT ISSUED 2005-2006

- **\$29,185,000 MILLION BONDS ISSUED**

SCHOOLS	\$ 25,685,000
SENIOR CENTERS	\$ 3,500,000

- **\$22,000,000 MILLION COPS ISSUED**

SCHOOLS	\$8,650,000
SPORTSPLEX	\$6,000,000
CONSERVATION	\$2,000,000
SENIOR CENTER	\$4,150,000
SEWER	\$ 500,000
ANIMAL SHELTER	\$ 700,000

- **BOND RATINGS**

- AAA FITCH, AA+ S&P, Aa2 MOODY'S

- **\$6.9 MILLION UNISSUED BONDS**

# DEBT POLICY PARAMETERS

- Debt Will Not Exceed 3% of Assessed Value
  - Actual Debt = 1.6% of Assessed Value
- Debt Service Payments Will Not Exceed 15% of Operating Expenses
  - Actual Pymts = 13.3% of Operating Expenses

# DEBT SUBSEQUENT YEAR

- \$9 MILLION CARRBORO HIGH SCHOOL
- COPS ISSUE PLANNED FOR SPRING 2007

Projects include:

Elementary #10

CHCCS Renovations

Elementary #10 infrastructure

DTCC Satellite Campus

Central Orange Senior Center

Justice Facilities

Efland Water & Sewer

West 10 Soccer

Jail

# Solid Waste Enterprise Fund

- TOTAL REVENUES OF \$7.3MILLION
- TOTAL EXPENDITURES OF \$5.8 MILLION
- \$1.5 REVENUES OVER EXPENDITURES
- CASH AND INVESTMENTS OF \$6.9 MILLION
- LIABILITIES OF \$1.4 MILLION
- \$1.2 MILLION IN RESERVES APPROPRIATED 2006-2007
- SOUND FINANCIAL CONDITION

# SPORTSPLEX

- Operations Commenced December 2005
- Smooth Transition
- Operating Results:
  - Operating Revenues           \$1,122,229
  - Operating Expenditures       \$1,093,654
- No County Funds Needed for Operations
- Overall Year End Surplus of \$244,028
  - (\$155,259 net of Depreciation)
- Separate Audit Performed
- “Unqualified” (Good) Opinion on Financial Operations
- Letter of Recommendation for Operational Improvements

# SINGLE AUDIT AND GRANTS

- \$99 MILLION GRANT FUNDS MANAGED
- DSS FUNDS \$84 MILLION
  - \$ 10 MILLION RECEIVED BY COUNTY
  - \$74 MILLION DIRECT PAYMENTS
- HOUSING AND CD FUNDS \$5 MILLION
- SINGLE AUDIT COVERS BOTH FINANCIAL AND PROGRAM COMPLIANCE
- ONE MINOR FINDING RELATED TO GRANT COMPLIANCE

# POSITIVE AUDIT RESULTS

- Successful audit process
- Continued Implementation of New GASB Requirements
- Auditors Performed SAS 99 Fraud Review
- Sound Financial Policies and Procedures
- Adequate Internal Control Structure
- “Unqualified Opinion” (GOOD)
- Minor Findings and Recommendations for Consideration (Best Practices)

# FUTURE FINANCIAL CONSIDERATIONS

- Further Solidify Debt Issuance Plans
- Review Of Financial Impacts of “Best Practices”
- GASB 45 Implementation (OPEB)
- Carrboro High School Start up
- Continue to Improve Fund Balance Position

# Finance Director, Post Audit

