

2020 COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the fiscal year ended June 30, 2020




ORANGE COUNTY
NORTH CAROLINA

ORANGE COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020

Prepared by:
Department of Finance & Administrative Services

Submitted by:
Gary Donaldson, CTP
Chief Financial Officer

ORANGE COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020

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INTRODUCTORY SECTION





ORANGE COUNTY

Department of Finance and Administrative Services

405 Meadowlands Drive, PO Box 8181, Hillsborough, NC 27278 | Tel 919.245.2453 | Fax 919.644.3324

December 27, 2020

The Board of County Commissioners,
Bonnie Hammersley, County Manager
Residents of Orange County, North Carolina

Laws of the State of North Carolina, along with policies and procedures of the North Carolina Local Government Commission, require that all local governments in the State publish a complete set of financial statements annually. The financial statements must be presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to those requirements, I hereby issue the comprehensive annual financial report ("CAFR") of Orange County for the fiscal year ended June 30, 2020.

This report consists of management's representations concerning the finances of Orange County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh their benefits, the County's internal control structure has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Mauldin & Jenkins, PLLC, a firm of licensed certified public accountants. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor rendered an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. This opinion can be found at the beginning of the financial section of this document. In addition to the independent audit of the financial statements, the County is required to undergo an annual "Single Audit" designed to meet the special requirements of federal grantor agencies. Information regarding this audit can be obtained from the County's finance department.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of independent auditors.

COUNTY PROFILE

Orange County, founded in 1752, is located in the north-central portion of North Carolina, approximately midway between Washington, DC and Atlanta, GA. The County is part of the Raleigh/Durham/Chapel Hill Metropolitan Statistical Area, which also includes the Research Triangle Park, a major complex of research and research-oriented manufacturing facilities.

The County operates under a Commissioner-Manager form of government. The governing body of the County is the Board of County Commissioners, which formulates policies for the administration of the County. In addition, the Board annually adopts a balanced budget and establishes a tax rate for the support of the County's programs. The Board consists of seven commissioners, elected on a staggered basis for terms of four years. The County Manager is appointed by, and serves at the pleasure of the Board as the County's Chief Executive Officer. The County Manager has appointive and removal authority over department heads and employees of the County. The County Manager is responsible for the daily operations of the County Government. In addition, the Manager's responsibilities include implementation of policies established by the Board of Commissioners, as well as the administration of the annual budget adopted by the Board.

The County provides a wide range of services, including public safety, human services (Social Services, Health and Aging), and funds for education, cultural and recreational activities, general administration functions and others. This CAFR includes all funds and account groups of the County including all activities considered to be part of (controlled by or dependent on) the County. In the fiscal year ended June 30, 1995, the County implemented Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*. As a result, the Orange County ABC Board is reported as a discretely presented component unit of the County.

The budget serves as the foundation for Orange County's financial planning and control. As required by the North Carolina Budget and Fiscal Control Act, the County adopts an annual budget for all governmental funds except those authorized by project ordinance that are multi-year in nature. Appropriations to the various funds are formally budgeted on a functional basis. The County Manager is authorized to approve appropriation transfers within all functions. The County Commissioners must approve transfers that alter the total appropriation of any functional category or fund, including the multi-year project funds. However, for expenditure control purposes the budget is monitored and controlled on a departmental level.

FACTORS AFFECTING FINANCIAL CONDITION

The County's economy is characterized by a high degree of institutional and public-sector activity, plus office, commercial and service-oriented business. The County is also the place of residence for many technical, professional and executive people who work in the Research Triangle Park and neighboring cities of Durham, Raleigh, and Burlington. The Research Triangle refers to an area located among three municipalities: Chapel Hill, Durham and Raleigh. In addition to The University of North Carolina at Chapel Hill, universities located in these municipalities include Duke University and North Carolina Central University in the City of Durham and North Carolina State University in the City of Raleigh. The proximity of these universities makes the Research Triangle area well-suited to many types of research activities. The Research Triangle Park (the "Park"), located 10 miles east of the County, contains 7,000 acres of land which has been reserved for research and research-oriented manufacturing. Since its inception in the 1950's, approximately 250 private and governmental organizations have located facilities in the Park and currently employ approximately 50,000 people. Approximately 87% of the employees in the Park work for multinational corporations. The largest employers in the Park include: IBM Corporation, GlaxoSmithKline, Cisco, Nortel, RTI International, Fidelity Investments, US Environmental Protection Agency, National Institute of Environmental Health Sciences, Biogen IDEC and NetApp. Because of its close proximity to the County and the fact that many of the Park's employees reside in the County, the impact of the Park on the County's economy is significant. According to the Orange County Economic Development Commission, the leading industries in the County are educational, health and social services, professional, scientific,

management, administrative and waste management services and arts, entertainment, recreation, accommodation and food services. The County's most common occupations, according to the Orange County Economic Development Commission, are management, professional and related occupations (54%), sales and office occupations (19.5%) and service occupations (16.4%). Manufacturing and agriculture are lesser portions of the County's economy.

The University of North Carolina at Chapel Hill and UNC Health Care System are the largest employers in the County. The University of North Carolina at Chapel Hill and UNC Health Care System and their associated service, teaching and research programs have a reputation for excellence in the educational and medical fields. The UNC Health Care System expanded its medical campus to the town of Hillsborough in 2015 and this complex includes 50 acute care beds, an 18-bed intensive care unit, six operating rooms, two procedure rooms, an emergency department and outpatient medical and surgical specialty services, including urgent care, imaging and oncology. An industrial strip adjacent to Interstate 85 in the western portion of the County is the location of several manufacturing firms. The County has designated over 2,450 acres in three strategically placed areas along Interstate 85 and 40 as Economic Development Districts. The County's location, midway between the Piedmont Triad and Research Triangle metropolitan areas, makes these sites extremely attractive. The districts offer development potential for light industrial, warehouse/flex space, office, retail and business service. Numerous tracts, ranging in size from 20 to 100 acres or more, are available.

The County spurs economic development by providing funds through the Article 46 Sales Tax to finance the development of utility extensions for commercial entities in its Economic Development Districts. The County uses the Article 46 Tax to provide a portion of the upfront water and sewer infrastructure costs for businesses locating in these districts. Recent economic development investments within the County include ABB, Medline, Research Logistics Park, Morinaga, Piedmont Metal Works and Wegmans.

Fiscal Outlook

The adopted General Fund Budget for FY 2020-21 totals \$239.2 million which represents \$1.9 million or a 0.81% increase over the FY 2019-20 adopted budget. The County Budget factors in new construction and personal property growth in real and personal values. The County tax rate is maintained at .8679 per \$100 of assessed valuation thus deferring a 1.63 cent tax rate for debt service. The County tax base increased by 2% to \$19.2 billion. This tax base increase results in an additional \$2.1 million of property tax revenues. The real and personal collection rate is decreased from 99.2% to 98.7% in view of the pandemic induced recession. The County budget maintains a goal of allocating 48.1% of General Fund revenues to Education spending. The budget increases per pupil expenditures by \$14.75 to \$4,352.25 per pupil, which has consistently been among the highest per pupil appropriations in the State. The FY 2019-20 appropriations represents 49.4% of total General Fund revenues. The budget appropriates \$3 million to fund school deferred maintenance. The fiscal year 2020-21 budget fully funds all positions of the County however there is no wage increase due to necessary measures to counter recession sensitive revenues. Property tax revenues comprise \$167.6 million or 70.3% of General Fund revenues. The FY 2020-21 Sales tax revenues have been budgeted to decline 4.5% compared to the FY 2019-20 budget given the projected reduction in COVID impacted consumer spending. Sales tax represents 10% of General Fund revenues. The remaining 20% of General Fund revenues are comprised of Intergovernmental revenues, Charges for Services, Licenses and Permits, and Miscellaneous revenues. The County Emergency Financial Measures include increasing the fund balance appropriation, capital reserves and fund transfers to offset the decline in sales tax revenues. The increased fund balance appropriation though inconsistent with the County's Long Range Financial Forecast objectives was a necessary measure given the drastic economic impact from the global pandemic.

The Article 46 ¼ cents sales tax was approved by the voters in a November 2011 referendum and became effective April 1, 2012. A Special Revenue Fund was established to account for the Article 46 Sales Tax. The Board approved a ten-year commitment which authorized equal distribution of this sales tax to support education and economic development. Fifty percent of the ¼ cent sales tax is allocated to both County school systems on an average daily membership percent basis to fund school capital projects. The other fifty

percent is allocated to economic development initiatives including supporting water and sewer infrastructure funding in the County's three economic development districts. The Article 46 Sales Tax revenue is budgeted to decrease by 4.7% to \$3,885,168 for FY 2020-21 due to COVID impact. Additional funds in the amount of \$660,000 have been earmarked to provide grants and loans to small businesses impacted by the recession.

The County has an extensive ten-year Capital Investment Plan to provide public safety upgrades, school facilities, government facilities, affordable housing, parks and recreation, information technology, water and sewer in the Economic Development Districts, and various equipment purchases. Pursuant to a November 2016 bond referendum, the County will issue General Obligation bonds to fund its two school systems; the Chapel Hill-Carrboro City Schools and Orange County Schools improvements and affordable housing land banking projects. The bond referendum authorized \$120 million in School bonds and \$5 million in Affordable housing bonds. The County expects to complete its voter approved General Obligation debt issuances by fiscal year 2022. The remaining authorized and unissued General Obligation Bonds is \$18.6 million as of June 30, 2020.

Fiscal Policy. The County continues to demonstrate strong financial management as a result of its compliance with its Board adopted financial policies, regular financial reporting and long-term financial forecasting. These best practices and policies have enabled the County to remain financially strong through economic troughs and intergovernmental funding. Financial and debt modeling is used to determine the fiscal impact from both short and long-term economic trends. The Board and County Manager regularly take action to contain expenditures within the authorized appropriation levels.

The County adheres to a 15% Debt Policy as measured by debt service as a percentage of the budget below the 15% of General Fund expenditures limit, which is the goal the County strives to maintain. The County 16% Fund Balance Policy as measured by the General Fund unassigned fund balance is at 15.6% of General Fund expenditures as of June 30, 2020 attributed to a portion of unrestricted cash advanced to fund FEMA eligible expenses. The County's available fund balance includes reserve by state statute amounts which represents an additional 7.1% of General Fund expenditures as of June 30, 2020.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to Orange County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. This marks the twentieth consecutive year that Orange County has received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. These reports must comply with both generally accepted accounting principles (GAAP) in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The County also received the GFOA's award for Distinguished Budget Presentation for its 2020 annual budget document. This is the 29th year that the award has been presented to the County. In order to qualify for this award, the County's budget document was judged proficient in several categories including policy documentation, financial planning and organization. The Budget Division believes the fiscal year 2020 budget continues to conform to program requirements and is submitting it to the GFOA to determine eligibility for another award.

Orange County departments and respective employees are deeply committed to the goals, vision and mission statement of the County government. This is evidenced by the high quality of service delivery to the residents of the County. I appreciate the collaborative nature of each County department in assisting in the preparation of this report and ongoing support in executing the daily financial activities of the Department of Finance

and Administrative Services. I would like to extend my sincere gratitude to members of the Department of Finance and Administrative Services for their professionalism, hard work, and diligence in contributing to the preparation of this financial report. Special recognition is extended to Paul Laughton, Deputy Finance Director, Howard Fitts, Senior Accountant, Katina Perry, Financial Services Manager, Pascal Moore, Accountant, Chaz Offenburg, Financial Systems Administrator, John O'Keefe, Accountant and our audit firm Mauldin & Jenkins, PLLC.

I would like to thank the Board of County Commissioners, County Manager Bonnie Hammersley and Deputy County Manager Travis Myren for their vision and leadership in contributing to Orange County's strong financial position during this recession.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gary Donaldson". The signature is fluid and cursive, with the first name "Gary" written in a larger, more prominent script than the last name "Donaldson".

Gary Donaldson, CTP
Chief Financial Officer

The County Economy

General Description

The county is located in the North-Central Piedmont section of North Carolina, Orange County between the Research Triangle Park and the Piedmont Triad. The County is midway between Washington, D.C. and Atlanta, Georgia. Orange County is approximately 401 square miles in area, of which approximately 177 square miles are unincorporated, 39 square miles are farmland, 132 square miles are forested and 53 square miles are urbanized.

Source: [Orange County Economic Development](#)

Orange County is comprised of four municipalities: Hillsborough, Chapel Hill, Carrboro, and a portion of the city of Mebane. The University of North Carolina at Chapel Hill, the oldest state-supported university in the United States, is located in the county. The County is a diverse community mixed with old historic sites, scenic rural areas, excellent healthcare and higher education facilities. Source: [Orange County Economic Development](#)

Exhibit 1 indicates the historical population trend for the County. The North Carolina Budget and Management population metrics show that the County population has increased 4.56% the past five years

Exhibit 1:
Orange County Population

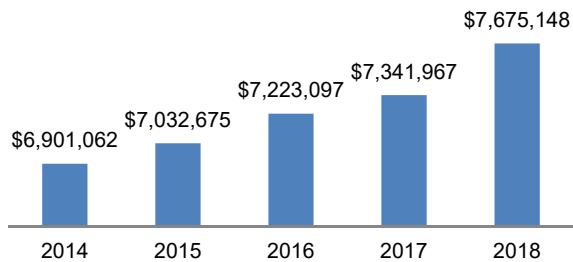
Year	Population
2015	140,678
2016	142,148
2017	142,597
2018	145,574
2019	147,093

Source: [North Carolina Office of Budget and Management](#)

General Economic Indicators

Exhibit 2 indicates Real Gross Domestic Product (GDP) which is a prominent economic indicator for measuring performance of the economy. The Orange County Statistical area is the best proxy for Orange County.

Exhibit 2:
Local Real GDP*
In thousands



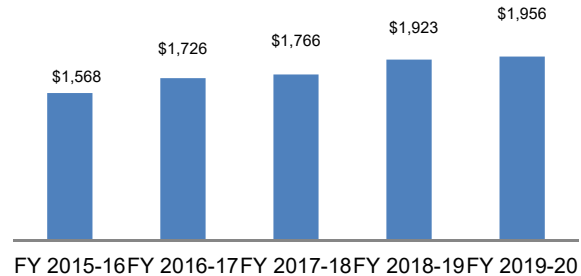
Source: [United States Bureau of Economic Analysis](#)

*The Real GDP of the Orange County Statistical Area

Thousands of Chained dollars, 2019 data not available at time of publication.

Exhibit 3 indicates Gross Retail Sales which is a reliable indicator of consumer spending activity. Gross Retail Sales has increased 24.75% From Fiscal Years 2015-16 to 2019-20.

Exhibit 3:
Gross Retail Sales
In millions

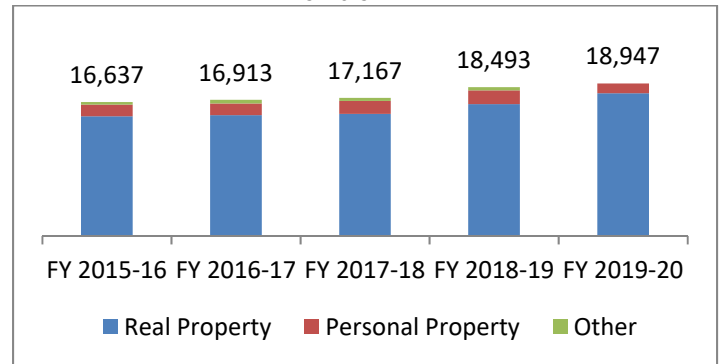


Source: [North Carolina Department of Revenue](#)

Tax Base

Exhibit 4 shows the change in the tax base (assessed valuation) over the past five fiscal years. The tax base has remained stable. The county tax base is 80% residential and 20% commercial with most of the population and commercial base concentrated in the southern region in the Towns of Chapel Hill and Carrboro.

Exhibit 4:
Assessed Valuations
In billions



Source: [Orange County Comprehensive Annual Financial Report](#)

Exhibit 5 indicates the ten principal taxpayers which accounts for approximately 3.48% of totaled assessed valuation or \$660,611,776. The principal tax payers are of the following industries: Public Utility, Apartment Rental, Office/Retail, Banking, Medical, and Condominiums.

**Exhibit 5:
Principal Tax Payers**

Taxpayers	Industry	Assessed Valuation
Duke Energy Carolina LLC	Public utility	\$145,235,672
Chapel Hill Foundation Real Estate Holdings Inc	Apartments/Retail	\$103,704,168
BIR Chapel Hill LLC	Apartments/Retail	\$68,603,700
Piedmont Electric Membership	Public utility	\$64,957,329
Northwestern Mutual Life Insurance Co	Apartments rental	\$57,473,228
Public Service Co of NC Inc	Public utility	\$55,128,293
State Employees' Credit Union	Bank	\$50,884,688
East 54 Office Retail LLC	Office/Retail	\$40,135,700
Health System Properties LLC	Medical	\$37,646,298
Chapel Hill at the Pointe Villager LLC	Apartment rental	\$36,842,700
Total	-	\$660,611,776
Percentage of County Assessed Valuation	-	3.48%

Source: [Orange County Tax Assessor](#).

Employment and the Economy

Demographics

The County is home to the University of North Carolina at Chapel Hill and UNC Health Care, which are major employment sources in the County.

Exhibit 6 indicates the economic and employment diversity in the County. The County's predominant occupations are in educational services, healthcare and social assistance, and retail trade sectors. Industry sectors such as Agriculture, Utilities, and Management of Companies and Enterprises comprise small portions of the Orange County Industry Structure.

**Exhibit 6:
Industry Structure**

Industry	Employment
Educational Services	20,617
Health Care and Social Assistance	17,457
Retail Trade	6,732
Accommodation and Food Services	6,419
Professional and Technical Services	3,239
Public Administration	2,668
Other Services, Ex. Public Administration	2,396
Construction	1,809
Manufacturing	1,658
Administrative and Waste Services	1,286
Finance and Insurance	1,121
Information	1,086

Wholesale Trade	941
Real Estate, Rental, and Leasing	830
Arts, Entertainment, and Recreation	827
Transportation and Warehousing	665
Management of Companies and Enterprises	458

Source: Orange County Economic Development Department

The County economy is characterized by a high degree of institutional and public-sector activity, office, commercial and service-oriented businesses. The County is the place of residence for many technical, professional and executive professionals who work in the Research Triangle Park (the "Park") and neighboring cities of Durham, Raleigh, and Burlington.

Exhibit 7 indicates the major employers in the county. The County's major employers have remained relatively consistent in the education, health services, manufacturing, trade, transportation, and utilities sectors.

**Exhibit 7:
Major Employers**

1000+ Employees	UNC Chapel Hill*
	UNC Health Care System*
	Chapel Hill-Carrboro City Schools*
	Orange County Schools*
	Orange County*
500 to 999 Employees	Town Of Chapel Hill*
250 to 499 Employees	Wal-Mart
	Harris Teeter
	Sports Endeavors, Inc.
	UNC Physician Network LLC*
	AKG of America, Inc.
	General Electric Corp
	PHE, Inc.*
	The Chapel Hill Residential
	Food Lion
	Weaver Street Market*
	Wellspring Grocery
	A Southern Season
	Aramark Food & Support Services
100 to 249 Employees	Residential Services, Inc.
	Carolina Inn
	Town of Carrboro*
	US Postal Service

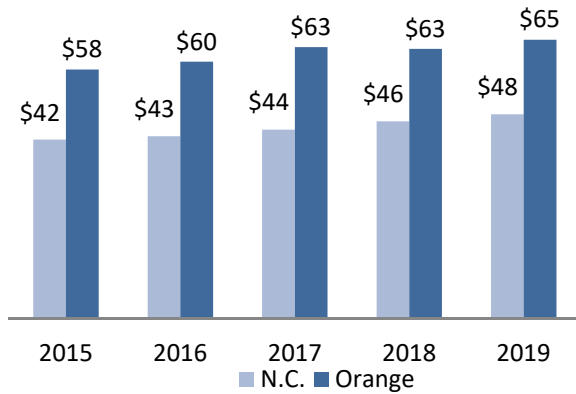
*Headquartered in the County

Source: [Orange County Economic Development](#)

Personal Income

Exhibit 8 indicates the County's per capita personal income which has consistently been well above both the state and national averages.

Exhibit 8:
Per Capita Personal Income
In thousands

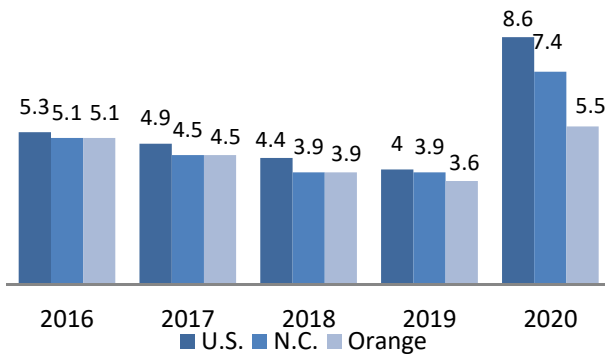


Source: [Bureau of Economic Analysis](#)

Employment

Exhibit 9 indicates the average monthly unemployment rates for each of the past five fiscal years. As noted on the chart the County's unemployment rate has consistently been below the state and national rates.

Exhibit 9:
Unemployment Rates
Average for Each Fiscal Year



Source: [United States Bureau Labor & Economic Analysis Division](#)

Exhibit 10 indicates building permit activity which illustrates performance of the construction sector within the County.

Exhibit 10:
Number and Value of Building Permits

Year	Building Permits	Residential	Non-Residential
2016	6209	\$256,528,071	\$290,266,982
2017	5825	\$222,420,750	\$32,874,171
2018	8637	\$320,289,291	\$267,963,214
2019	9280	\$348,816,092	\$333,009,899

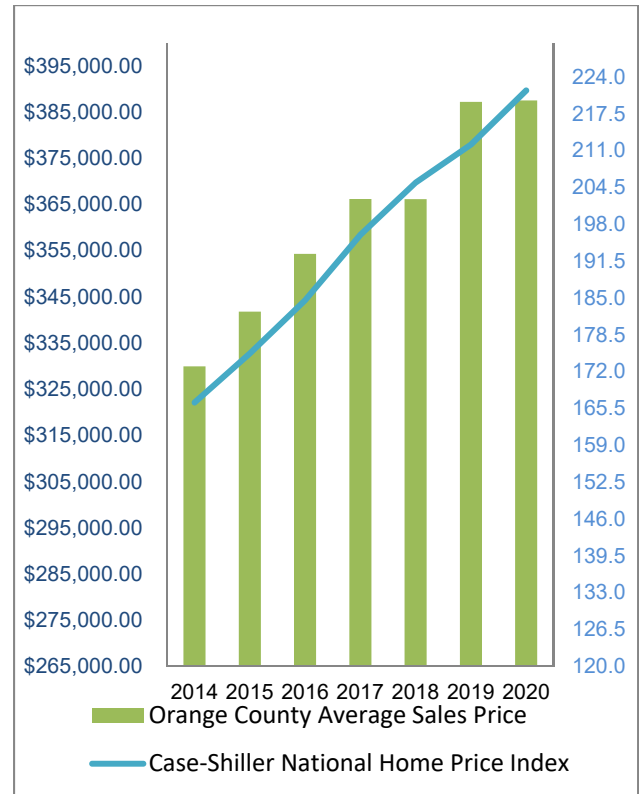
Source: [Orange County and Municipal Planning Departments](#)

Note: Values include permits issued by Orange County, Hillsborough, Carrboro, Chapel Hill, Mebane and unincorporated Orange County and Hillsborough

Housing Market

Exhibit 11 indicates the average home sale price in the County the past five years in comparison to the Case-Shiller National Home Price Index. Chapel Hill, a municipality in Orange County, is the highest priced major housing market in the Triangle Region. The Orange County housing market has remained relatively consistent with the Case-Shiller U.S. National Home Price Index. Average home sales price in Orange County has continued to increase with the average home sales price at \$387,522 as of October 1, 2020.

Exhibit 11:
Average Orange County Home Sale Price and Case-Shiller National Home Price Index



Source: [Triangle MLS](#) and [S&P/Case Shiller U.S. National Home Price Index](#)

Other Key Data

Education

The County funds two school districts; Chapel Hill-Carrboro City School District and Orange County School District.

Exhibit 12 indicates the total budgeted students in both school districts for the past five academic years.

Exhibit 12
Total Budgeted Students

Year	Chapel Hill-Carrboro City Schools	Orange County Schools	Total
2015-16	12,339	7,801	20,040
2016-17	11,993	7,966	19,959
2017-18	12,160	8,072	20,232
2018-19	12,387	8,011	20,398
2019-20	12,274	8,134	20,408

Source: [Department of Public Instruction, March Planning Figures](#)

A seven-member Board of Education is the policy-making authority of Orange County School District and an eight member Board of Education for Chapel Hill-Carrboro City School District.

Board of Education members are elected to four-year staggered terms on a non-partisan basis. Administrative responsibility is vested in an appointed superintendent who serves as chief executive officer.

Each Board of Education relies upon the County for local funds needed to support public school current expense and capital outlay needs.

Each Board of Education must present their current expense and capital outlay budget requests to the County by April 30 each year.

Appropriations to the Board of Education are discussed in the County's budget hearings and the approved amount for the schools is appropriated in the County's operating budget adopted by July 1.

Exhibit 13 indicates County per pupil appropriation the past twelve years. The County has consistently maintained among the highest per pupil appropriations of any county in North Carolina.

Exhibit 13:
Historical Per Pupil Appropriation

Year	Per Pupil Appropriation	Annual % Increase
2008-09	\$3,200	4.3%
2009-10	\$3,096	-3.3%
2010-11	\$3,096	0%
2011-12	\$3,102	0.2%
2012-13	\$3,167	2.1%
2013-14	\$3,269	3.2%
2014-15	\$3,571	9.2%
2015-16	\$3,698	3.5%
2016-17	\$3,868	4.6%
2017-18	\$3,991	3.2%
2018-19	\$4,165	4.4%
2019-20	\$4,352	4.5%

Source: Orange County Financial & Administrative Services

Chapel Hill-Carrboro City Schools District

The Chapel Hill-Carrboro City School District (CHCCS) comprises ten elementary schools, four middle schools, three high schools and a school for students being treated at UNC Chapel Hill Hospital. Chapel Hill-Carrboro City Schools has the highest average SAT score in the state and its high schools have been recognized in national publications for its excellent academic performance.

Orange County Schools District

Orange County School District comprises seven elementary (one year-round school of choice), three middle schools, two high schools and an alternative school. Orange County Schools offers an International Baccalaureate Diploma for advanced students. Orange County Schools states itself to be the "First Choice for Families".

Graduation Rates

Exhibit 14 indicates graduation rates for Chapel Hill-Carrboro City Schools and Orange County in comparison to the National averages.

As illustrated graduation rates for both Chapel Hill-Carrboro School District and Orange County School District are above the state and national average.

**Exhibit 14:
Graduation Rates***

System	Rate
Chapel Hill-Carrboro City	93%
Orange County	91%
North Carolina	88%
United States	85%

Source: [Source: National Center for Educational Statistics and North Carolina Department of Public Instruction](#)

Exhibit 15 indicates the most available College and University enrollment data within the County. The County offers the opportunity to attend an exceptional community college or State university.

**Exhibit 15:
Student Enrollment at Higher Education Facilities
In Orange County**

Institution	2018	2019	2020
UNC- Chapel Hill	30,011	29,877	30,101
Durham Technical Community College*	2,787*	2,496*	2,378*

Source: [UNC School System](#) and Durham Technical Community College

*Enrollment values for all students taking at least one course at the Orange County Campus

The University of North Carolina at Chapel Hill (UNC) is the nation's oldest state university, with a rich history of more than two centuries. UNC is one of the State's top and most progressive institutions of teaching, research, and public services. The campus covers approximately 730 acres and provides education to more than 30,000 students. According to UNC, it has earned a reputation as one of the best universities in the world. UNC is among one of the leading research universities. UNC-Chapel Hill's doctoral programs include Bio-medical sciences, Dentistry, Physics, Education, and Chemistry. The University of North Carolina also includes top ranked Medical and Law Schools.

Durham Technical Community is situated on 20 acres within the County. Durham Technical Community The college curriculum includes a Nursing Assistant program, Adult Education programs, and English as a Second Language courses. The County funds a scholarship program for Orange County high school students who enroll in Durham Technical Community College immediately following High School graduation. This scholarship program is funded from Article 46 sales tax proceeds.

Exhibit 16 indicates educational attainment within the County. The County is ranked as 6th in the United States with the greatest percentage of residents with graduate degrees and 14th in the greatest percentage of people with bachelor's degrees. The presence of the University of North Carolina at Chapel Hill is a primary factor for the

Source: [United States Census Data on Educational Attainment by County](#)

**Exhibit 16:
Educational Attainment**

Population 25 years and over in 2019

Highest Education Level	Orange	N.C.	U.S.
Did Not Graduate High School	5.5%	11.4%	11.4%
High School Graduate	13.1%	25.6%	26.9%
Some College, No Degree	12.2%	20.6%	20.0%
Associate's Degree	6.0%	10.1%	8.6%
Bachelor's Degree	28.9%	20.5%	20.3%
Graduate Degree or Higher	34.2%	11.8%	12.8%

Source: [United States Census \(Orange County\)](#), [United States Census \(N.C.\)](#), [United States Census \(U.S.\)](#)

Medical

Orange County residents have access to top quality medical services. According to the Robert Wood Johnson Foundation, Orange County is highly rated in North Carolina for Health Factors based on health behaviors, clinical care, social and economic factors, and the physical environment.

The County is predominantly served by UNC Hospitals, a public, academic medical center. The Hospitals' mission is to provide high quality patient care, to educate health care professionals, to advance research and to provide community service. UNC Hospitals was established in September 1952 under the name North Carolina Memorial Hospital.

Exhibit 17 indicates the medical facilities located in the County and their respective licensed bed capacities as per the most available data.

**Exhibit 17:
Hospitals in Orange County**

Hospital	Licensed Beds
UNC Health Care	>950
UNC Hillsborough Campus	86

Source: [UNC HealthCare](#)

There are seven other hospitals within 30 miles of Orange County including the following: NC Specialty Hospital, Duke University Hospital, Durham Regional Hospital, U.S. Veterans Medical Hospital, Alamance Regional Hospital, Chatham Hospital, and Person Memorial Hospital.

Transportation

Orange County is strategically located on the I-85/I-40 corridors. The County is served by Interstate Highways 40 (I-40) and 85 (I-85); by U.S. Highways 15, 70, and 501; and by N.C. Highways 49, 54, 57, 86, and 751. Major expansion, maintenance, and improvements of primary and secondary highways within the County are primarily the responsibility of the State. Each of the four municipalities within the County bears the primary responsibility for public streets within its limits. The County has no financial obligation regarding road construction or maintenance.

Orange County Public Transportation provides transit and commuting options for Orange County residents. Public transit services are offered for the general public, seniors, persons with disabilities, and providing non-emergency medical transportation for Medicaid recipients. The Hillsborough Circulator Route connects major destinations throughout Hillsborough and is free to all passengers. The Orange-Chapel Hill Connector Route connects major destinations in Hillsborough, Chapel Hill and Cedar Grove in Northern Orange County. Two additional routes expanding to the Efland-Hillsborough Commuter Loop and the Orange-Alamance Midday Connector are planned.

The Towns of Chapel Hill and Carrboro provide their residents with buses primarily serving students at the University of North Carolina at Chapel Hill. The County is a member of the Research Triangle Regional Public Transportation Authority which is referred to as Go Triangle. Go Triangle is a regional public transportation offering public transit and vanpool services in the Triangle Region and adjacent counties.

Source: [Orange County Public Transportation](#)

Orange County is approximately 20 miles east of the Raleigh Durham International Airport (RDU Airport). RDU Airport has passenger service to 38 destinations with an average of 352 daily arrivals and departures. RDU airport is served by 8 major airlines including American Airlines, Delta Air Lines, JetBlue Airways, United Airlines, and Frontier Airlines.

Source: [Raleigh-Durham International Airport](#)

Amtrak offers direct service to 56 cities from nearby Raleigh. The Silver Star provides daily service to Richmond, Washington, New York, Miami, and many points in between. The Carolinian travels daily between Charlotte and New York City, with stops in Raleigh, Richmond, Washington, DC, Baltimore and Philadelphia. The Piedmont makes daily trips between Raleigh and Charlotte.

Source: [Orange County Economic Development](#)

Culture and Recreation

Music, history, and art offerings abound throughout the County. Hikes through the Riverwalk in Hillsborough and strolls down Franklin Street in Chapel Hill offer unique ways to discover North Carolina. The Ackland Art Museum, Eno Gallery, and Frank Gallery offer an array of visual arts and bring special exhibits and local art to the eye of County. UNC's Memorial Hall, Cat's Cradle, the Arts Center, DSI Comedy Theater, and the Forest Theater showcase the artistic, theatrical, and musical expressions of renowned artists. The North Carolina Botanical Gardens, Montrose Gardens, Woodcrest Farms, Occaneechee Mountain State Natural Area, and Eno State River Park showcase the natural beauty of the County.

The County offers nearly every sport and recreational endeavor for its residents. The County's park facilities include tennis courts, play grounds, swimming pools, soccer fields, ball parks, picnic areas, biking, hiking, canoeing, a skate park, and dog parks. The Orange County Sportsplex offers additional recreational activity. The

Sportsplex hosts many events such as swim meets, skating competitions, hockey tournaments, and triathlons. Per the Orange County Capital Investment Plan, the Sportsplex hosts over 700,000 visitors each year.

The Orange County recreation center offers many courses for youths and adults. Each year, summer and spring break camps are offered, which include basketball, taekwondo, and general summer camps. Children and adults are able to take art, cooking, and computer education courses. The center offers a variety of sports leagues and classes, as well as Tai Chi classes.

Municipalities

Orange County consists of four incorporated municipalities: Chapel Hill, Hillsborough, Carrboro and a portion of Mebane. Each is unique and, together, they are the perfect blend of cosmopolitan culture and energy with the relaxation of rural life.

The Town of Chapel Hill, or as locals call it, "the Southern part of heaven," is probably best known as the home of the University of North Carolina at Chapel Hill, the nation's first state university and an institution that is continually recognized for having one of the best undergraduate programs in the U.S. As a result, the town's culture blends college town, quaint Southern charm and fine dining, shopping and entertainment.

The Town of Carrboro was founded nearly a century and a half ago. The town's rustic charm still remains, with both the original rail station and the textile mill listed on the National Register of Historic Places. Carrboro features a downtown that offers unique shopping and dining, a growing arts community and a reputation for great farmer's markets.

The Town of Hillsborough was founded over 250 years ago and was once the colonial capital of North Carolina. Hillsborough now serves as the County seat of Orange County. The town boasts over one hundred late 18th and 19th century structures and is listed on the National Register of Historic Places. The town's residents enjoy charming shops and restaurants and many activities celebrating the arts and history being held almost daily.

The City of Mebane's namesake is Brigadier General Alexander Mebane, a Revolutionary War officer and later, a United States Congressman. The city of Mebane is at the center of one of the fastest growing areas in North Carolina, offering the conveniences of city life with all of the escape opportunities that city dwellers often seek; the mountains are just three hours to the west and the coast, just three hours to the east.

Source: [Orange County Economic Development](#)



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North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

Board of County Commissioners



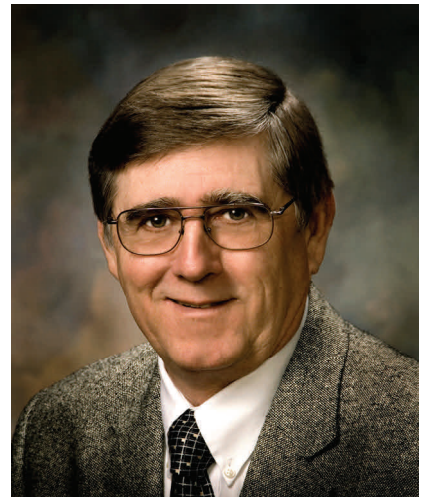
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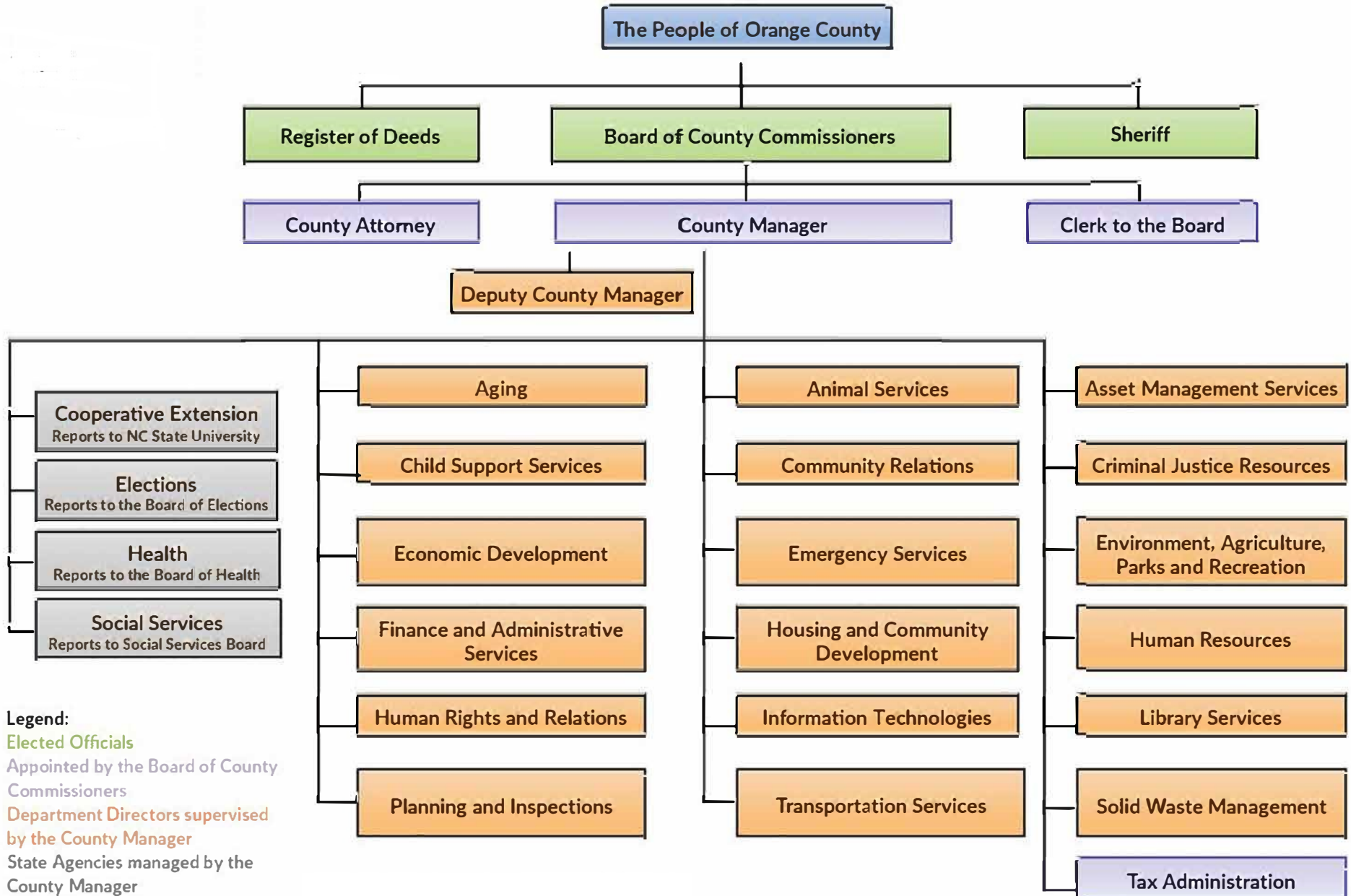


Mark Dorosin



Sally Greene

ORANGE COUNTY GOVERNMENT





FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Members of the Board of Commissioners
Orange County, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Orange County, North Carolina (the "County")**, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Orange County ABC Board, which represents 100% of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Orange County ABC Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Orange County ABC Board were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Orange County, North Carolina as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in the County's Net OPEB Liability and Related Ratios – OPEB Plan, the Schedule of County Contributions – OPEB Plan, the Schedule of OPEB Investment Returns – OPEB Plan, the Schedule of Changes in Total Pension Liability – LEOSSA, the Schedule of Total Pension Liability as a Percentage of Covered Payroll – LEOSSA, the Schedule of County's Proportionate Share of Net Pension Liability (Asset) – LERS, the Schedule of the County's Contributions – LERS, the Schedule of County's Proportionate Share of Net Pension Liability (Asset) – Register of Deeds Supplemental Pension Fund, and the Schedule of County's Contributions – Register of Deeds Supplemental Pension Fund, on pages 4-13, 81, 82, 83, 84, 85, 86, 87, 89 and 90, respectively, be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, the combining and individual fund statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules (the "supplementary information") are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 27, 2020

As management of the County, we offer readers of Orange County's (the "County") financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2020. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

The liabilities and deferred inflows of resources of the County exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$135.8 million (net position). In accordance with North Carolina law, liabilities of the County include approximately \$178.8 million in long-term debt associated with assets belonging to the Orange County Board of Education and the Chapel Hill-Carrboro City Board of Education. As these assets are not reflected in the County's financial statements and the full amount of the long-term debt is reflected in the County's financial statements, the County reports a net deficit in net position.

The government's total net position decreased by \$53.7 million. This decrease is attributed primarily to increases in education and support services expenses.

As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$169.2 million, an increase of \$3.7 million in comparison with the prior year. The increases reflect additional bond funds from debt financings during the fiscal year. The General Fund total ending fund balance of \$67.9 million includes \$35.5 million of unassigned fund balance.

The unassigned General Fund ending fund balance of \$35.5 million represented 15.62% of total General Fund expenditures for the fiscal year.

Orange County maintains the highest credit quality, with bond ratings of AAA (Fitch IBCA), Aaa (Moody's Investor Services) and AAA (Standard & Poor's) on its general obligation bonds.

Overview of the Financial Statements

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

Basic Financial Statements

The first two statements in the basic financial statements are the **Government-Wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements:

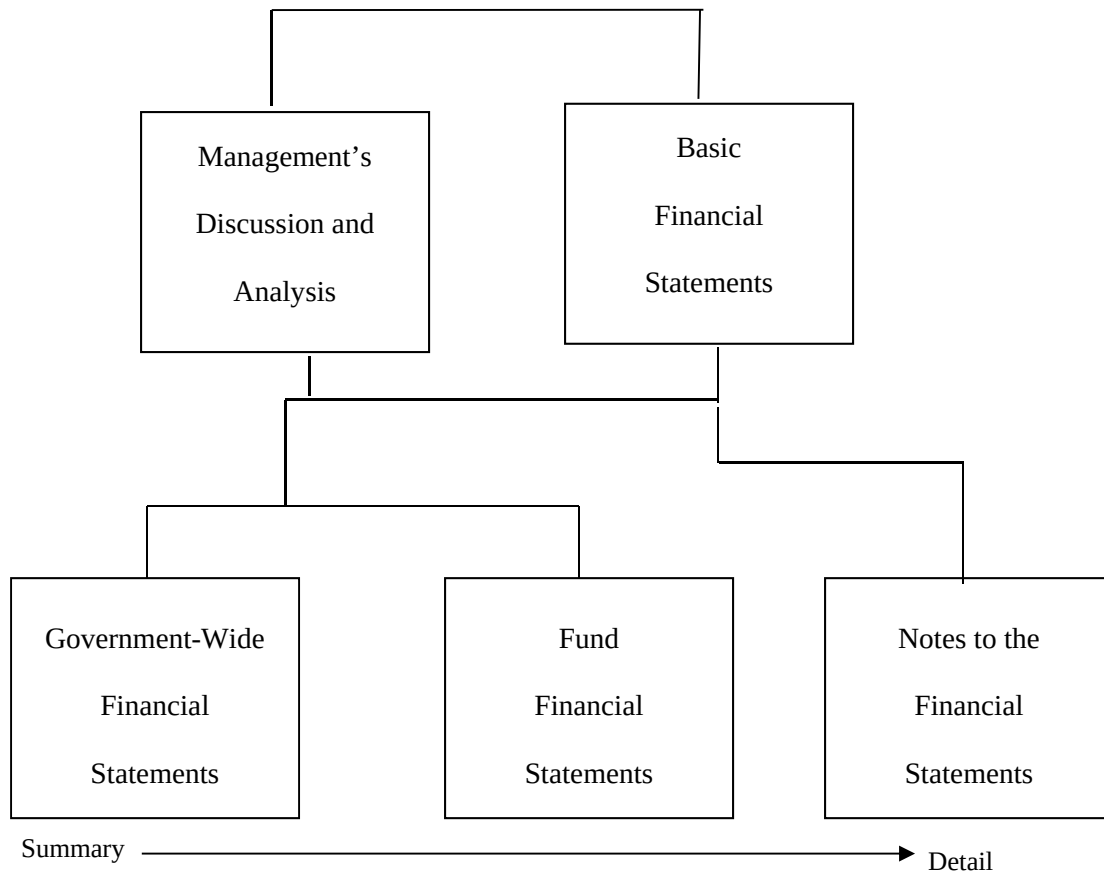
1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes to the basic financial statements (notes)**. The notes explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show additional details about the County's major and nonmajor governmental funds, proprietary and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

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

Required Components of Annual Financial Report
Figure 1



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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services, such as general administration, taxation and records, community planning, community maintenance, human services, education, public safety, and public works. Property and other taxes and Federal and State grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide a related service. These include the sewer

and landfill services and recreational services offered by the County. The final category is the component units. Although legally separate from the County, the ABC Board is important to the County because the County exercises control over the Board by appointing its members and because the Board is required to distribute its profits to the County.

The government-wide financial statements are on pages 14 through 16 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the

County's budget ordinance. All of the funds of the County can be divided into three categories: governmental, proprietary, and fiduciary funds.

Governmental Funds

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

The County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the residents of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statements provided for the General Fund demonstrate how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statements use the budgetary basis of accounting and are presented using the same format, language, and classifications as the Statement of Revenues, Expenditures, and Changes in Fund Balance. 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 County has two kinds of proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its sewer activity, for its landfill operations, and Sportsplex operations. 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. Internal service funds are an accounting device used to accumulate and allocate costs internally among the functions of the County. The County uses an internal service fund to account for two activities – its employee health and dental insurance program. Because these operations benefit predominantly governmental rather than business-type activities, the internal service funds have been included within the governmental activities in the government-wide financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets the County holds on behalf of others. The County's fiduciary funds consist of nine agency funds and an OPEB Trust Fund.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements are on pages 26-80 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. Required Supplementary Information can be found beginning on page 81 of this report.

Management's Discussion and Analysis (Unaudited)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	\$ 191,979,525	\$ 181,136,934	\$ 17,203,521	\$ 15,571,972	\$ 209,183,046	\$ 196,708,906
Capital assets	118,773,796	105,251,188	19,815,922	20,272,804	138,589,718	125,523,992
Total assets	310,753,321	286,388,122	37,019,443	35,844,776	347,772,764	322,232,898
Deferred Outflows	42,582,298	23,333,249	721,757	789,059	43,304,055	24,122,308
Liabilities:						
Long-term liabilities	453,515,004	364,943,659	18,647,191	17,676,227	472,162,195	382,619,886
Other liabilities	47,401,709	38,090,462	2,392,135	2,471,773	49,793,844	40,562,235
Total liabilities	500,916,713	403,034,121	21,039,326	20,148,000	521,956,039	423,182,121
Deferred inflows	4,884,337	5,182,246	67,470	86,787	4,951,807	5,269,033
Net Position:						
Net investment in capital assets	32,355,004	29,752,938	7,887,394	9,391,992	40,242,398	39,144,930
Restricted	65,570,460	84,301,864	-	-	65,570,460	84,301,864
Unrestricted	(250,390,895)	(212,549,798)	8,747,010	7,007,056	(241,643,885)	(205,542,742)
Total net position	\$ (152,465,431)	\$ (98,494,996)	\$ 16,634,404	\$ 16,399,048	\$ (135,831,027)	\$ (82,095,948)

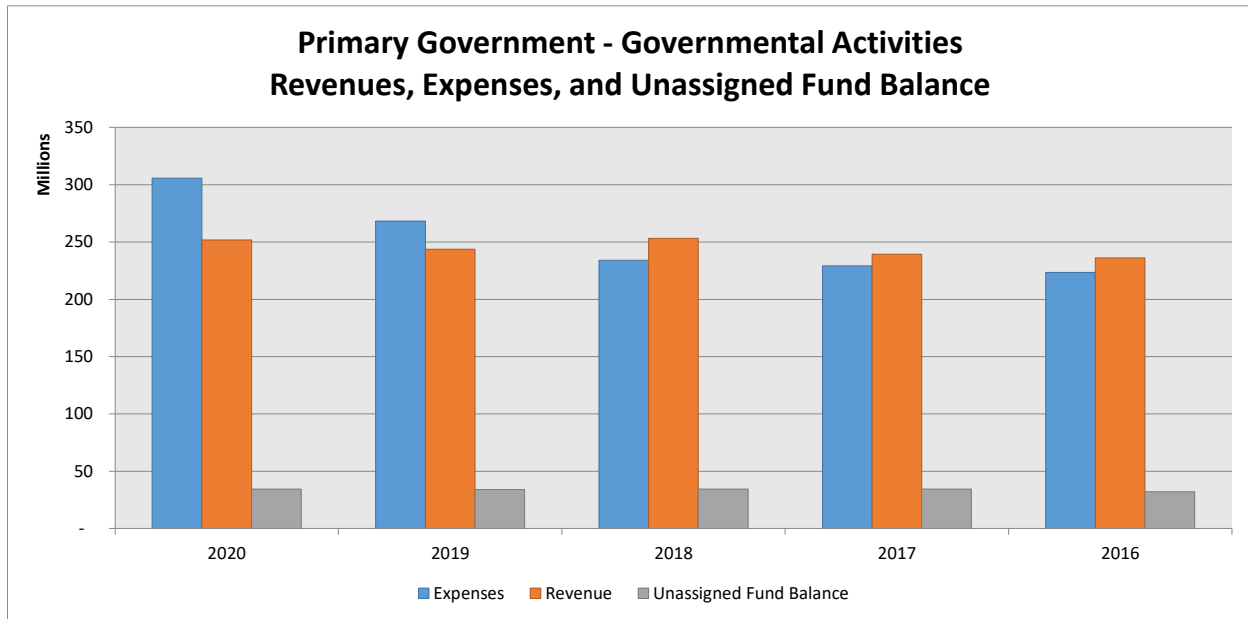
As noted earlier, net position serves, as one useful indicator of a government's financial condition. The liabilities and deferred inflows of resources of the County exceeded assets and deferred outflows of resources by \$135.8 million as of June 30, 2020. Net position is reported in three categories: Net investment in capital assets of \$40.2 million, restricted net position of \$65.6 million, and unrestricted net position of (\$241.6) million.

The net investment in capital assets category is defined as the County's net investment in County-owned capital assets (e.g. land, buildings, automotive equipment, office and other equipment, and sewer lines). The County uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. At June 30, 2020, the net investment in capital assets increased by \$1.1 million.

The final category of net position is unrestricted net position. This balance may be used to meet the government's ongoing obligations to residents and creditors. At June 30, 2020, the total net deficit reported of \$135.8 million is attributable to the unrestricted net deficit balance of (\$241.6) million, which results primarily from the debt financing related to school system assets.

Carolina, the County's deficit in unrestricted net position is due primarily to the portion of the County's outstanding debt incurred for the two school systems located within the County. Under North Carolina law, the County is responsible for providing capital funding for the school systems. The County has chosen to meet its legal obligation to provide the school systems capital funding by using a combination of County funds, general obligation debt, and installment financing. It is important to note, that the assets funded by the County are owned and utilized by the school systems. The County is the issuing government for school system debt but acquires no capital assets; therefore the County has incurred a liability without a related increase in assets. At the end of the fiscal year, approximately \$178.8 million of the outstanding debt on the County's financial statements was related to assets included in the school systems' financial statements. The majority of this school system related debt is general obligation debt, which is secured and pledged by the full faith, credit, and taxing power of the County. The County is authorized and required by State law to levy ad valorem taxes, without limit as to rate or amount to pay the debt service on its general obligation bonds. Principal and interest requirements will be provided by an appropriation in the year in which such requirements are due and payable. The majority of the non-general obligation debt is repaid from sales taxes earmarked for school capital, education lottery proceeds, and ad valorem property taxes allocated to school capital.

Consistent with other counties in the State of North



As noted earlier, the government's total net position decreased by \$53.7 million. This decrease resulted from increased long-term debt to support the County's capital improvement program. The business-type activities provided an increase of \$235,356 in net position. In addition, the following positive operational initiatives and results are noted:

- The County's continued efficiency in the collection of property taxes resulted in a collection percentage of 99.7%, higher than the State-wide average of 97%.
- Sales tax revenue, which is the second largest revenue source, increased by \$281,684 from the prior fiscal year to \$28.1 million or 1% increase.

- The County continued to lead the State in per pupil funding for education.
- The unassigned fund balance in the County's General Fund remains strong at \$35.5 million or 15.6% of General Fund expenditures. The county exercises fiscal discipline and strong management controls in managing the operating budget throughout the fiscal year. The County's unassigned fund balance level provides a financial cushion to mitigate unforeseen changes in the economic and business climate and decreased revenues.

Management's Discussion and Analysis (Unaudited)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for services	\$ 15,099,534	\$ 15,827,035	\$ 14,077,939	\$ 14,259,849	\$ 29,177,473	\$ 30,086,884
Operating grants and contributions	28,714,814	24,223,044	3,681	30,570	28,718,495	24,253,614
Capital grants and contributions	1,256,036	1,157,514	-	-	1,256,036	1,157,514
General Revenues:						
Property Taxes	171,493,308	165,411,715	-	-	171,493,308	165,411,715
Other Taxes	33,073,561	33,541,804	-	-	33,073,561	33,541,804
Other	2,130,474	3,553,143	164,560	305,880	2,295,034	3,859,023
Total Revenues	251,767,727	243,714,255	14,246,180	14,596,299	266,013,907	258,310,554
Expenses:						
Community Services	16,617,090	15,902,720	-	-	16,617,090	15,902,720
General Government	20,030,815	15,382,288	-	-	20,030,815	15,382,288
Human Services	36,883,247	44,580,536	-	-	36,883,247	44,580,536
Education	48,406,126	132,364,089	-	-	48,406,126	132,364,089
Public Safety	156,765,760	33,718,408	-	-	156,765,760	33,718,408
Support Services	19,391,577	19,455,503	-	-	19,391,577	19,455,503
Interest on long-term debt	7,641,254	6,954,179	-	-	7,641,254	6,954,179
Landfill	-	-	10,820,274	10,783,737	10,820,274	10,783,737
Sewer	-	-	87,564	327,665	87,564	327,665
Sportsplex	-	-	3,105,279	3,739,404	3,105,279	3,739,404
Total Expenses	305,735,869	268,357,723	14,013,117	14,850,806	319,748,986	283,208,529
Increase/decrease in net position before transfers	(53,968,142)	(24,643,468)	233,063	(254,507)	(53,735,079)	(24,897,975)
Transfers	(2,293)	(126,510)	2,293	126,510	-	-
Increase/Decrease in net position after transfer	(53,970,435)	(24,769,978)	235,356	(127,997)	(53,735,079)	(24,897,975)
Net Position:						
Beginning of year - July 1	(98,494,996)	(73,725,018)	16,399,048	16,527,045	(82,095,948)	(57,197,973)
Total net position	\$ (152,465,431)	\$ (98,494,996)	\$ 16,634,404	\$ 16,399,048	\$ (135,831,027)	\$ (82,095,948)

Governmental Activities.

Governmental activities decreased the County's net position by \$53.9 million.

Key elements of this change are as follows:

- Increased Education capital outlays
- Increased Support Services expenses
- Increased interest on long-term debt

Business-Type Activities

Business-type activities increased the County's net position by \$235,356.

Financial Analysis of the County's Funds

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

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the County's financing requirements. Specifically, available fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$35.5 million or 15.6% of General Fund expenditures, while total fund balance increased to \$67.9 million or 29.9% of General Fund expenditures. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 15.2% of total General Fund expenditures and transfers out, while the total fund balance represents 29.1% of General Fund expenditures and transfers out.

General Fund revenues are \$228.3 million or \$1.9 million lower than the final amended budget or (0.8%). General Fund revenues increased by \$7.6 million from the prior fiscal year. Property tax revenue comprises 72% of the General Fund revenues. Sales tax revenue, the second largest revenue, increased by \$281,684 from the prior fiscal year. Intergovernmental revenues includes CARES budget of \$2.6 million of which \$1.3 million was recognized consistent with GASB guidance. General Fund revenues and other financing sources total \$249.8 million.

General Fund expenditures are \$226.8 million or \$10.5 million lower than the final amended budget. General Fund expenditures increased by \$3.9 million from the prior fiscal year. General Fund expenditures were 4.4% under the final budget. This is attributed to salary attrition savings, management's commitment to contain discretionary spending through regular financial reporting and budget versus actual reviews and analysis. General Fund expenditures and other financing uses total \$248.0 million.

The County Capital Improvement Fund reflects a \$25.6 million increase in fund balance due to bond proceeds to support ongoing capital projects primarily attributed a new County Northern Campus site. The County Capital fund financed a majority of the current capital outlay expenditures of \$24.7 million during the fiscal year.

The School Capital Improvement Fund reflects a decrease in fund balance of \$20 million for ongoing school construction. The school capital project fund balance decrease is attributed to continued capital outlays for Chapel Hill High School and Orange County Schools capital outlay expenditures in the amount of \$56.2 million.

As of June 30, 2020, the non-major governmental funds of the County reported a combined fund balance of \$12.7 million, a decrease of \$3.7 million from the prior year. The non-major governmental funds consists of Article 46 ¼ cents sales taxes, fire district property taxes, visitors bureau occupancy taxes, and housing grant revenue.

General Fund Budgetary Highlights for the Fiscal Year Ending June 30, 2020

The adopted General Fund budget for fiscal year ending June 30, 2020 totaled \$237.1million, which represents \$10.4 million or a 4.5% increase over the FY 2018-19 adopted budget. The County budget

included a 1.75 cent increase in the property tax rate equating to \$3.2 million to cover increased debt service (.60 cents), education and county operating costs (.90 cents) and climate change capital projects (.25 cents). The County tax rate increased from \$0.8504 per \$100 of assessed valuation to \$0.8679 per \$100 of valuation. The County tax base increased by 2.1% to \$18.9 billion. This tax base increase coupled with the tax rate increase resulted in a 4.2% increase in the General Fund Tax Levy.

The County budget maintains a goal of allocating 48.1% of General Fund revenues to Education spending. The budget increases per pupil expenditures by \$175 to \$4,340 per pupil, which is among the highest amounts in the State. The FY 2019-20 appropriation represents 49.5% of total General Fund revenues. The budget appropriates \$3 million for school deferred maintenance. The County annual appropriation to education is consistently among the highest per pupil expenditures among the 100 counties in North Carolina.

The County budget included a 2% wage increase for County employees, the total cost of this wage adjustment is \$1.1 million. The County budget is consistent with the County's Long Range Financial objectives with a management focus to reduce reliance on fund balance appropriations.

The County generally amends the budget during the fiscal year. County budget amendments are delineated in one of four categories:

- 1) amendments to revise estimates original budget ordinance and amounts based on new information;
- 2) carryover of funding for outstanding purchase orders at year-end related to significant commitments and projects;
- 3) amendments to recognize new funding amounts from external sources, such as Federal and State grants; and
- 4) amendments to increase appropriations to fund and maintain service delivery requirements.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. The Sportsplex Fund reported income from operations of \$179,000 and an unrestricted net position of \$520,709. The Solid Waste Landfill Fund reported income from operations of \$242,000 and an unrestricted net position of \$8.4 million.

The County's Capital Assets
(Net of accumulated depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 15,124,298	\$ 15,124,298	\$ 1,619,059	\$ 1,619,059	\$ 16,743,357	\$ 16,743,357
Land improvements	4,949,636	4,949,636	561,856	579,867	5,511,492	5,529,503
Water resources						
- Lake Orange	481,624	481,624	-	-	481,624	481,624
Buildings	46,732,734	49,509,584	7,877,160	8,345,474	54,609,894	57,855,058
Leasehold improvements	1,620,532	1,791,115	-	-	1,620,532	1,791,115
Sewer lines	-	-	1,844,184	1,931,317	1,844,184	1,931,317
Automotive equipment	1,311,268	1,198,835	975,769	1,301,394	2,287,037	2,500,229
Office and other equipment	2,996,531	4,578,142	-	-	2,996,531	4,578,142
Construction in progress	45,557,173	27,617,954	6,937,894	6,495,693	52,495,067	34,113,647
Total	\$ 118,773,796	\$ 105,251,188	\$ 19,815,922	\$ 20,272,804	\$ 138,589,718	\$ 125,523,992

Capital Asset and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2020 totals \$138.6 million (net of accumulated depreciation). These assets include land, buildings, automotive equipment, office and other equipment, and sewer lines.

Major capital asset transactions during the year include:

- Construction in progress on various County projects.
- Purchase of vehicles and equipment for operations.
- Purchase of landfill and recycling equipment.

Additional information on the County's capital assets can be found in Note 6 of the Basic Financial Statements.

Long-Term Debt and Obligations

As of June 30, 2020, the County had total bonded debt outstanding of \$131 million, all of which is debt backed by the full faith and credit of the County.

In addition, the County has several installment notes with a total outstanding balance of \$172 million. A summary of total long-term debt and other long-term liabilities is shown in Figure 5. The County's total long-term obligations increased by \$92.1 million, or 22% from the prior fiscal year.

The County's bond ratings are shown below:

Moody's Investor Services	Aaa
Standard & Poor's	AAA
Fitch IBCA	AAA

These bond ratings are a clear indication of the sound financial condition of the County. The County is one of the few counties in the country that maintains the highest financial ratings from all major rating agencies. This achievement is a primary factor in keeping interest costs low on the County's outstanding debt.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the County is approximately \$1.2 billion. The County has \$293.2 million in net debt applicable to the limit. The County has \$18.6 million in bonds authorized, but unissued, at June 30, 2020 including \$14.5 million for Schools and \$2.5 million for Affordable Housing purposes.

The County's Long-Term Obligations

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligations bonds	\$ 131,000,000	\$ 125,740,000	\$ -	\$ -	\$ 131,000,000	\$ 125,740,000
Installment notes payable	160,217,516	112,389,455	12,053,942	11,501,093	172,271,458	123,890,548
Resolving loan payable	831,074	2,097,037	-	-	831,074	2,097,037
Premiums	20,933,128	16,433,431	554,553	496,643	21,487,681	16,930,074
Accrued compensated absences	5,259,321	3,987,120	290,925	252,839	5,550,246	4,239,959
Net pension liability - LGERS	19,552,200	17,087,193	1,259,337	1,002,626	20,811,537	18,089,819
Total pension liability - LEOSA	4,708,711	4,117,156	-	-	4,708,711	4,117,156
Post-closure liability	-	-	5,996,902	5,848,071	5,996,902	5,848,071
OPEB liability	137,190,344	106,718,695	-	-	137,190,344	106,718,695
Total	\$ 479,692,294	\$ 388,570,087	\$ 20,155,659	\$ 19,101,272	\$ 499,847,953	\$ 407,671,359

Additional information regarding the County's long-term debt can be found in Note 7 on pages 50-57 of this report.

Budget Highlights for the Fiscal Year Ending June 30, 2021

The adopted General Fund Budget for FY 2020-21 totals \$239.2.1 million which represents \$1.9 million or a 0.81% increase over the FY 2019-20 adopted budget. The County Budget factors in new construction and personal property growth in real and personal values. The County tax rate is maintained at .8679 per \$100 of assessed valuation thus deferring a 1.63 cent tax rate for debt service. The County tax base increased by 2% to \$19.2 billion. This tax base increase results in an additional \$2.1 million of property tax revenues. The real and personal collection rate is decreased from 99.2% to 98.7% in view of the pandemic induced recession. The County budget maintains a goal of allocating 48.1% of General Fund revenues to Education spending. The budget increases per pupil expenditures by \$14.75 to \$4,352.25 per pupil, which has consistently been among the highest per pupil appropriations in the State. The FY 2019-20 appropriations represents 49.4% of total General Fund revenues. The budget appropriates \$3 million to fund school deferred maintenance. The fiscal year 2020-21 budget fully funds all positions of the County however there is no wage increase due to necessary measures to counter recession sensitive revenues. Property tax revenues comprise \$167.6 million or 70.3% of General Fund revenues. The FY 2020-21 Sales tax revenues have been budgeted to decline 4.5% compared to the FY

2019-20 budget given the projected reduction in COVID impacted consumer spending. Sales tax represents 10% of General Fund revenues. The remaining 20% of General Fund revenues are comprised of Intergovernmental revenues, Charges for Services, Licenses and Permits, and Miscellaneous revenues. The County Emergency Financial Measures include increasing the fund balance appropriation, capital reserves and fund transfers to offset the decline in sales tax revenues. The increased fund balance appropriation though inconsistent with the County's Long Range Financial Forecast objectives was a necessary measure given the dramatic economic impact from the COVID-19 pandemic.

The Article 46 ¼ cents sales tax was approved by the voters in a November 2011 referendum and became effective April 1, 2012. A Special Revenue Fund was established to account for the Article 46 Sales Tax. The Board approved a ten-year commitment which authorized equal distribution of this sales tax to support education and economic development. Fifty percent of the ¼ cent sales tax is allocated to both County school systems on an average daily membership percent basis to fund school capital projects. The other fifty percent is allocated to economic development initiatives including supporting water and sewer infrastructure funding in the County's three economic development districts. The Article 46 Sales Tax revenue is budgeted to decrease by 4.7% to \$3,885,168 for FY 2020-21 due to COVID impact. Additional funds in the amount of \$660,000 have been earmarked to provide grants and loans to small businesses impacted by the recession.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Chief Financial Officer for the County, 405 Meadowlands Drive, P.O. Box 8181, Hillsborough, North Carolina 27278.

Complete financial statements for the ABC Board may be obtained at its administrative office, Orange County ABC Board, 122 Highway 70 East, Hillsborough, North Carolina 27278.

ORANGE COUNTY, NORTH CAROLINA

**STATEMENT OF NET POSITION
JUNE 30, 2020**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Orange County ABC Board
ASSETS				
Cash and cash equivalents	\$ 70,884,602	\$ 16,462,150	\$ 87,346,752	\$ 3,619,954
Receivables, net of allowance for uncollectibles	4,402,211	445,349	4,847,560	6,895
Taxes receivable, net of allowance for uncollectibles	2,824,961	-	2,824,961	-
Due from other governments	14,362,655	-	14,362,655	-
Internal balances	(296,022)	296,022	-	-
Inventories	9,645	-	9,645	2,813,014
Prepaid items	300,192	-	300,192	89,682
Restricted cash and cash equivalents	99,291,462	-	99,291,462	-
Net pension asset	199,819	-	199,819	-
Capital assets:				
Non-depreciable	66,112,731	8,614,070	74,726,801	1,832,547
Depreciable, net of accumulated depreciation	52,661,065	11,201,852	63,862,917	6,793,706
Total assets	310,753,321	37,019,443	347,772,764	15,155,798
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	11,969,966	721,757	12,691,723	381,346
OPEB related items	27,312,794	-	27,312,794	241,665
Deferred charges on refunding	3,299,538	-	3,299,538	-
Total deferred outflows of resources	42,582,298	721,757	43,304,055	623,011
LIABILITIES				
Accounts payable	11,910,115	336,414	12,246,529	1,000,917
Retainage payable	724,208	-	724,208	-
Accrued liabilities	4,587,624	346,372	4,933,996	705,323
Customer deposits	-	200,881	200,881	-
Interest payable	2,881,503	-	2,881,503	-
Claims and judgements payable	1,138,969	-	1,138,969	-
Landfill postclosure liability, due within one year	-	223,474	223,474	-
Landfill postclosure liability, due in more than one year	-	5,773,428	5,773,428	-
Installment notes, due within one year	15,945,620	1,110,439	17,056,059	227,322
Installment notes, due in more than one year	154,752,461	11,498,056	166,250,517	3,002,001
Bonds payable, due within one year	7,000,000	-	7,000,000	-
Bonds payable, due in more than one year	134,452,563	-	134,452,563	-
Revolving loan, due within one year	58,077	-	58,077	-
Revolving loan, due in more than one year	754,997	-	754,997	-
Compensated absences, due within one year	3,155,593	174,555	3,330,148	-
Compensated absences, due in more than one year	2,103,728	116,370	2,220,098	-
Total pension liability, due in more than one year	4,708,711	-	4,708,711	-
Net pension liability, due in more than one year	19,552,200	1,259,337	20,811,537	661,702
Net OPEB liability, due in more than one year	137,190,344	-	137,190,344	1,307,654
Total liabilities	500,916,713	21,039,326	521,956,039	6,904,919
DEFERRED INFLOWS OF RESOURCES				
Deferred tax revenue	627,551	-	627,551	-
Pension related items	194,276	3,369	197,645	33,698
Deferred charges on refunding	-	64,101	64,101	-
OPEB related items	4,062,510	-	4,062,510	-
Total deferred inflows of resources	4,884,337	67,470	4,951,807	33,698
NET POSITION				
Net investment in capital assets	32,355,004	7,887,394	40,242,398	5,396,930
Restricted for:				
Stabilization by State Statute	17,838,399	-	17,838,399	718,955
Public safety	3,092,831	-	3,092,831	-
Human services	165,940	-	165,940	-
Community services	1,148,324	-	1,148,324	-
Education	43,324,451	-	43,324,451	-
Capital projects	515	-	515	-
Unrestricted	(250,390,895)	8,747,010	(241,643,885)	2,724,307
Total net position	\$ (152,465,431)	\$ 16,634,404	\$ (135,831,027)	\$ 8,840,192

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

ORANGE COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Community services	\$ 16,617,090	\$ 2,412,666	\$ 1,885,446	\$ -
General government	20,030,815	4,232,214	1,940,617	1,256,036
Public safety	36,883,247	6,184,479	1,620,178	-
Human services	48,406,126	1,956,455	22,021,573	-
Education	156,765,760	-	1,247,000	-
Support services	19,391,577	313,720	-	-
Interest on long-term debt	7,641,254	-	-	-
Total governmental activities	305,735,869	15,099,534	28,714,814	1,256,036
Business-type activities:				
Solid waste landfill	10,820,274	10,943,027	3,681	-
Sportsplex	3,105,279	3,133,529	-	-
Efland sewer	87,564	1,383	-	-
Total business-type activities	14,013,117	14,077,939	3,681	-
Total primary government	\$ 319,748,986	\$ 29,177,473	\$ 28,718,495	\$ 1,256,036
Component Unit:				
Orange County ABC Board	\$ 23,368,025	\$ 24,117,774	\$ -	\$ -
Total component unit	\$ 23,368,025	\$ 24,117,774	\$ -	\$ -

General revenues:

- Ad valorem taxes
- Sales and use taxes
- Occupancy taxes
- Other taxes
- Investment earnings
- Gain on sale of capital assets

Transfers

- Total general revenues and transfers
- Change in net position
- Net position, beginning of year
- Net position, end of year

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

Net (Expenses) Revenues and Changes in Net Position				
Primary Government			Component Unit	
Governmental Activities	Business-type Activities	Total	Orange County ABC Board	
\$ (12,318,978)	\$ -	\$ (12,318,978)	\$ (12,318,978)	
(12,601,948)	-	(12,601,948)	(12,601,948)	
(29,078,590)	-	(29,078,590)	(29,078,590)	
(24,428,098)	-	(24,428,098)	(24,428,098)	
(155,518,760)	-	(155,518,760)	(155,518,760)	
(19,077,857)	-	(19,077,857)	(19,077,857)	
(7,641,254)	-	(7,641,254)	(7,641,254)	
(260,665,485)	-	(260,665,485)	(260,665,485)	
-	126,434	126,434	252,868	
-	28,250	28,250	56,500	
-	(86,181)	(86,181)	(172,362)	
-	68,503	68,503	137,006	
\$ (260,665,485)	\$ 68,503	\$ (260,596,982)	\$ (260,528,479)	
\$ -	\$ -	\$ -	\$ 749,749	
\$ -	\$ -	\$ -	\$ 749,749	
\$ 171,493,308	\$ -	\$ 171,493,308	\$ -	
31,800,771	-	31,800,771	-	
1,247,530	-	1,247,530	-	
25,260	-	25,260	-	
2,103,470	155,339	2,258,809	-	
27,004	9,221	36,225	-	
(2,293)	2,293	-	-	
206,695,050	166,853	206,861,903	-	
(53,970,435)	235,356	(53,735,079)	749,749	
(98,494,996)	16,399,048	(82,095,948)	8,090,443	
\$ (152,465,431)	\$ 16,634,404	\$ (135,831,027)	\$ 8,840,192	

ORANGE COUNTY, NORTH CAROLINA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	General Fund	County Capital Improvements Fund	School Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 58,429,855	\$ -	\$ -	\$ 11,210,294	\$ 69,640,149
Taxes receivable, net	2,560,022	-	-	264,939	2,824,961
Accounts receivable	833,838	70,417	-	3,497,956	4,402,211
Due from other governments	14,362,655	-	-	-	14,362,655
Due from other funds	742,190	-	-	-	742,190
Advances to other funds	136,000	-	-	-	136,000
Inventory	9,645	-	-	-	9,645
Prepaid items	300,192	-	-	-	300,192
Restricted cash and cash equivalents	-	49,406,326	49,885,136	-	99,291,462
Total assets	<u>\$ 77,374,397</u>	<u>\$ 49,476,743</u>	<u>\$ 49,885,136</u>	<u>\$ 14,973,189</u>	<u>\$ 191,709,465</u>
LIABILITIES					
Accounts payable	\$ 1,985,132	\$ 3,114,678	\$ 6,560,685	\$ 249,620	\$ 11,910,115
Due to other funds	-	432,022	-	742,190	1,174,212
Retainage payable	-	724,208	-	-	724,208
Accrued payroll and withholdings	2,118,735	-	-	62,116	2,180,851
Accrued liabilities	2,406,773	-	-	-	2,406,773
Total liabilities	<u>6,510,640</u>	<u>4,270,908</u>	<u>6,560,685</u>	<u>1,053,926</u>	<u>18,396,159</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - intergovernmental	-	-	-	1,006,150	1,006,150
Unavailable revenue - ad valorem taxes	2,292,855	-	-	220,847	2,513,702
Deferred revenue - prepaid taxes	627,551	-	-	-	627,551
Total deferred inflows of resources	<u>2,920,406</u>	<u>-</u>	<u>-</u>	<u>1,226,997</u>	<u>4,147,403</u>
FUND BALANCES					
Nonspendable:					
Inventories	9,645	-	-	-	9,645
Prepaid items	300,192	-	-	-	300,192
Advances to other funds	136,000	-	-	-	136,000
Restricted:					
Stabilization by State Statute	16,205,850	-	-	1,632,549	17,838,399
Public safety	-	-	-	2,871,984	2,871,984
Human services	-	-	-	165,940	165,940
Community services	-	-	-	1,148,324	1,148,324
Education	-	-	43,324,451	-	43,324,451
Capital projects	-	45,205,835	-	515	45,206,350
Committed:					
Health benefits	7,543,841	-	-	-	7,543,841
Education	-	-	-	1,140,095	1,140,095
Community services	-	-	-	2,710,240	2,710,240
Human services	-	-	-	169,777	169,777
Assigned:					
Use in subsequent fiscal year	8,268,603	-	-	-	8,268,603
Capital projects	-	-	-	134,004	134,004
Human services	-	-	-	3,396,354	3,396,354
Community services	-	-	-	44,724	44,724
Unassigned	35,479,220	-	-	(722,240)	34,756,980
Total fund balances	<u>67,943,351</u>	<u>45,205,835</u>	<u>43,324,451</u>	<u>12,692,266</u>	<u>169,165,903</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 77,374,397</u>	<u>\$ 49,476,743</u>	<u>\$ 49,885,136</u>	<u>\$ 14,973,189</u>	

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	118,773,796
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	3,519,852
The net pension liability (assets), total pension liability, net OPEB liability, and related deferred inflows and outflows of resources related to the County's defined benefit pension and OPEB plans are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.	(126,225,462)
Internal service funds are used by the County to charge costs to other funds. The assets and liabilities are included in the governmental activities.	562,141
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(318,261,661)
Net position of governmental activities:	<u>\$ (152,465,431)</u>

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

ORANGE COUNTY, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	General Fund	County Capital Improvements Fund	School Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 164,688,450	\$ -	\$ -	\$ 6,437,381	\$ 171,125,831
Sales taxes	28,126,263	-	-	3,674,508	31,800,771
Other taxes	-	-	-	1,272,790	1,272,790
Intergovernmental revenues	20,472,870	1,130,949	-	6,528,230	28,132,049
Charges for services	11,720,638	-	-	615,043	12,335,681
Investment earnings	709,277	462,565	774,743	156,885	2,103,470
License and permits	267,010	-	-	-	267,010
Miscellaneous	2,307,938	125,087	-	896,469	3,329,494
Total revenues	<u>228,292,446</u>	<u>1,718,601</u>	<u>774,743</u>	<u>19,581,306</u>	<u>250,367,096</u>
Expenditures					
Current:					
Community services	12,983,059	-	-	2,602,631	15,585,690
General government	9,896,723	-	-	273,636	10,170,359
Public safety	26,088,189	-	-	7,952,958	34,041,147
Human services	38,881,489	-	-	7,068,943	45,950,432
Education	93,136,287	-	56,168,582	1,698,598	151,003,467
Support services	15,178,951	-	-	-	15,178,951
Capital outlay	-	24,745,320	-	-	24,745,320
Debt service:					
Principal retirements	21,749,149	-	-	490,395	22,239,544
Interest and fiscal charges	9,157,708	590,947	-	275,770	10,024,425
Total expenditures	<u>227,071,555</u>	<u>25,336,267</u>	<u>56,168,582</u>	<u>20,362,931</u>	<u>328,939,335</u>
Excess (deficiency) of revenues over expenditures	1,220,891	(23,617,666)	(55,393,839)	(781,625)	(78,572,239)
Other financing sources (uses)					
Proceeds from sale of capital assets	27,004	-	-	-	27,004
Issuance of general obligation bonds	-	-	20,060,000	-	20,060,000
Issuance of installment notes	13,459,675	48,336,295	6,761,000	-	68,556,970
Premium on financing arrangements	1,668,143	2,760,189	2,863,303	-	7,291,635
Refunding deposit with bond escrow agent	(14,549,364)	-	-	-	(14,549,364)
Transfers in	6,519,002	619,272	8,742,553	1,732,219	17,613,046
Transfers out	(6,610,186)	(2,475,000)	(3,000,000)	(4,620,153)	(16,705,339)
Total other financing sources (uses)	<u>514,274</u>	<u>49,240,756</u>	<u>35,426,856</u>	<u>(2,887,934)</u>	<u>82,293,952</u>
Net change in fund balances	1,735,165	25,623,090	(19,966,983)	(3,669,559)	3,721,713
Fund balances, beginning of year	<u>66,208,186</u>	<u>19,582,745</u>	<u>63,291,434</u>	<u>16,361,825</u>	<u>165,444,190</u>
Fund balances, end of year	<u>\$ 67,943,351</u>	<u>\$ 45,205,835</u>	<u>\$ 43,324,451</u>	<u>\$ 12,692,266</u>	<u>\$ 169,165,903</u>

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

ORANGE COUNTY, NORTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2020

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

Net change in fund balances - total governmental funds	\$ 3,721,713
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.	13,522,608
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,373,627
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(59,119,697)
Internal service funds are used by management to charge the costs of the County's insurance plan to individual funds. The net expense of the internal service fund is reported within governmental activities.	(993,718)
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.	<u>(12,474,968)</u>
Change in net position - governmental activities	<u>\$ (53,970,435)</u>

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

ORANGE COUNTY, NORTH CAROLINA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2020

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 164,693,098	\$ 164,980,316	\$ 164,688,450	\$ (291,866)
Sales tax	27,122,861	27,122,861	28,126,263	1,003,402
Intergovernmental revenue	18,813,941	23,171,928	20,472,870	(2,699,058)
Charges for services	11,928,834	11,760,652	11,720,638	(40,014)
Investment earnings	415,000	449,723	709,277	259,554
License and permits	313,260	313,260	267,010	(46,250)
Miscellaneous	1,898,830	2,408,304	2,307,938	(100,366)
Total revenues	225,185,824	230,207,044	228,292,446	(1,914,598)
Expenditures				
Current:				
Community service	13,552,637	14,079,760	12,755,492	1,324,268
General government	10,539,767	10,895,770	9,896,723	999,047
Public safety	26,628,096	28,021,766	26,088,189	1,933,577
Human services	41,679,917	42,405,672	38,881,489	3,524,183
Education	93,508,573	93,508,573	93,136,287	372,286
Support services	12,465,362	17,319,090	15,178,951	2,140,139
Debt service:				
Principal retirements	24,045,822	24,045,822	21,749,149	2,296,673
Interest	6,708,606	6,708,606	8,958,547	(2,249,941)
Cost of issuance	-	-	199,161	(199,161)
Total expenditures	229,128,780	236,985,059	226,843,988	10,141,071
Excess (deficiency) of revenues over expenditures	(3,942,956)	(6,778,015)	1,448,458	8,226,473
Other financing sources (uses):				
Issuance of installment notes	-	254,953	13,353,923	13,098,970
Premium on financing arrangements issued	-	-	1,649,555	1,649,555
Refunding deposit with bond escrow agent	-	-	(14,549,364)	(14,549,364)
Proceeds from sale of capital assets	50,000	50,000	27,004	(22,996)
Transfers in	4,034,600	4,034,600	6,519,002	2,484,402
Transfers out	(7,949,650)	(6,823,891)	(6,610,186)	213,705
Appropriated fund balance	7,808,006	9,262,353	-	(9,262,353)
Total other financing sources	3,942,956	6,778,015	389,934	(6,388,081)
Net change in fund balances	-	-	1,838,392	1,838,392
Fund balances, beginning of year	66,208,186	66,208,186	66,208,186	-
Fund balances, end of year	<u>\$ 58,400,180</u>	<u>\$ 56,945,833</u>		<u>\$ 1,838,392</u>
Reconciliation to the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance:				
Community Loan Fund :				
Net change in fund balance			(103,227)	
			<u>\$ 67,943,351</u>	

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

ORANGE COUNTY, NORTH CAROLINA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020**

ASSETS	Solid Waste Landfill Fund	SportsPlex Fund	Nonmajor Fund Effland Sewer Operating Fund	Totals	Internal Service Fund
CURRENT ASSETS					
Cash and cash equivalents	\$ 16,092,800	\$ 271,883	\$ 97,467	\$ 16,462,150	\$ 1,244,453
Due from other funds	-	432,022	-	432,022	-
Accounts receivable, net of allowances	430,496	14,853	-	445,349	-
Total current assets	16,523,296	718,758	97,467	17,339,521	1,244,453
CAPITAL ASSETS					
Nondepreciable	4,276,068	4,280,885	57,117	8,614,070	-
Depreciable, net of accumulated depreciation	4,549,636	4,808,032	1,844,184	11,201,852	-
Total noncurrent assets	8,825,704	9,088,917	1,901,301	19,815,922	-
Total assets	25,349,000	9,807,675	1,998,768	37,155,443	1,244,453
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	721,757	-	-	721,757	-
Total deferred outflows of resources	721,757	-	-	721,757	-
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	298,736	37,678	-	336,414	-
Accrued liabilities	85,957	102,057	158,358	346,372	-
Payroll withholdings	142,567	58,314	-	200,881	-
Claims payable	-	-	-	-	682,312
Installment contracts, current	672,406	438,033	-	1,110,439	-
Landfill postclosure, current	223,474	-	-	223,474	-
Compensated absences payable, current	174,555	-	-	174,555	-
Total current liabilities	1,597,695	636,082	158,358	2,392,135	682,312
NONCURRENT LIABILITIES					
Installments contracts	5,950,715	5,547,341	-	11,498,056	-
Landfill postclosure	5,773,428	-	-	5,773,428	-
Advance from other funds	-	-	136,000	136,000	-
Compensated absences payable	116,370	-	-	116,370	-
Net pension liability	1,259,337	-	-	1,259,337	-
Total noncurrent liabilities	13,099,850	5,547,341	136,000	18,783,191	-
Total liabilities	14,697,545	6,183,423	294,358	21,175,326	682,312
DEFERRED INFLOWS OF RESOURCES					
Pension related items	3,369	-	-	3,369	-
Deferred charges on refunding	64,101	-	-	64,101	-
Total deferred inflows of resources	67,470	-	-	67,470	-
NET POSITION					
Net investment in capital assets	2,882,550	3,103,543	1,901,301	7,887,394	-
Unrestricted	8,423,192	520,709	(196,891)	8,747,010	562,141
Total net position	\$ 11,305,742	\$ 3,624,252	\$ 1,704,410	\$ 16,634,404	\$ 562,141

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

ORANGE COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2020

	Solid Waste Landfill Fund	SportsPlex Fund	Nonmajor Fund Effland Sewer Operating Fund	Totals	Internal Service Fund
OPERATING REVENUES					
Charges for services	\$ 10,943,027	\$ 3,133,529	\$ 1,383	\$ 14,077,939	\$ -
Employee contributions	-	-	-	-	12,124,861
Total operating revenues	10,943,027	3,133,529	1,383	14,077,939	12,124,861
OPERATING EXPENSES					
Landfill	7,593,298	-	-	7,593,298	-
Administrative and general	2,366,306	2,590,941	431	4,957,678	88,359
Depreciation	741,089	363,197	87,133	1,191,419	-
Claims and payments to third party administrators	-	-	-	-	12,147,588
Total operating expenses	10,700,693	2,954,138	87,564	13,742,395	12,235,947
Operating income (loss)	242,334	179,391	(86,181)	335,544	(111,086)
NON-OPERATING REVENUES (EXPENSES)					
Intergovernmental	3,681	-	-	3,681	-
Investment earnings	153,738	-	1,601	155,339	27,368
Gain on disposal of capital assets	9,221	-	-	9,221	-
Interest expense	(119,581)	(151,141)	-	(270,722)	-
Total non-operating revenue (expenses)	47,059	(151,141)	1,601	(102,481)	27,368
Income (loss) before transfers	289,393	28,250	(84,580)	233,063	(83,718)
Transfers in	11,695	-	-	11,695	-
Transfers out	-	(9,402)	-	(9,402)	(910,000)
Change in net position	301,088	18,848	(84,580)	235,356	(993,718)
Net position, beginning of year	11,004,654	3,605,404	1,788,990	16,399,048	1,555,859
Net position, end of year	\$ 11,305,742	\$ 3,624,252	\$ 1,704,410	\$ 16,634,404	\$ 562,141

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

ORANGE COUNTY, NORTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Solid Waste Landfill Fund	SportsPlex Fund	Nonmajor Fund Efland Sewer Operating Fund	Totals	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 10,912,639	\$ 3,153,162	\$ 1,383	\$ 14,067,184	\$ 12,124,861
Payments to suppliers	(5,133,123)	(1,591,106)	2,951	(6,721,278)	(12,360,439)
Payments to employees	(4,387,604)	(1,125,122)	-	(5,512,726)	-
Net cash provided by (used in) operating activities	<u>1,391,912</u>	<u>436,934</u>	<u>4,334</u>	<u>1,833,180</u>	<u>(235,578)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers to other funds	-	(9,402)	-	(9,402)	-
Transfers from other funds	11,695	-	-	11,695	(910,000)
Receipt of intergovernmental revenues	3,681	-	-	3,681	-
Net cash provided by (used in) non-capital financing activities	<u>15,376</u>	<u>(9,402)</u>	<u>-</u>	<u>5,974</u>	<u>(910,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases and acquisition of capital assets	(488,914)	(245,623)	-	(734,537)	-
Interfund reimbursement for capital projects	-	(432,022)	-	(432,022)	-
Proceeds from issuance of debt	1,334,030	585,000	-	1,919,030	-
Principal payments on long-term debt	(569,073)	(432,713)	-	(1,001,786)	-
Bond premium	51,952	78,930	-	130,882	-
Refunding deposits with escrow agent	(364,395)	-	-	(364,395)	-
Proceeds from the sale of capital assets	9,221	-	-	9,221	-
Interest paid and fiscal fees paid	(171,687)	(160,427)	-	(332,114)	-
Net cash used in capital and related financing activities	<u>(198,866)</u>	<u>(606,855)</u>	<u>-</u>	<u>(805,721)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	153,738	-	1,601	155,339	27,368
Net cash provided by investing activities	<u>153,738</u>	<u>-</u>	<u>1,601</u>	<u>155,339</u>	<u>27,368</u>
Net increase (decrease) in cash and cash equivalents	1,362,160	(179,323)	5,935	1,188,772	(1,118,210)
Cash and cash equivalents, beginning of year	<u>14,730,640</u>	<u>451,206</u>	<u>91,532</u>	<u>15,273,378</u>	<u>2,362,663</u>
Cash and cash equivalents, end of year	<u>\$ 16,092,800</u>	<u>\$ 271,883</u>	<u>\$ 97,467</u>	<u>\$ 16,462,150</u>	<u>\$ 1,244,453</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN)					
OPERATING ACTIVITIES					
Operating income (loss)	\$ 242,334	\$ 179,391	\$ (86,181)	\$ 335,544	\$ (111,086)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	741,089	363,197	87,133	1,191,419	-
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:					
Increase (decrease) in accounts receivable	(30,388)	19,633	-	(10,755)	-
Decrease in accounts payable	(71,941)	(43,468)	(106)	(115,515)	-
Decrease in deferred charges on refunding	(14,454)	-	-	(14,454)	-
Increase in accrued payroll withholdings	19,218	2,648	-	21,866	-
Increase (decrease) in accrued liabilities	(13)	(84,467)	3,488	(80,992)	-
Increase in postclosure liability	148,831	-	-	148,831	-
Increase in compensated absences payable	38,086	-	-	38,086	-
Decrease in claims payable	-	-	-	-	(124,492)
Increase in pension related items	319,150	-	-	319,150	-
Net cash provided by (used in) operating activities	<u>\$ 1,391,912</u>	<u>\$ 436,934</u>	<u>\$ 4,334</u>	<u>\$ 1,833,180</u>	<u>\$ (235,578)</u>

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

ORANGE COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2020

ASSETS	Agency	OPEB
	Funds	Trust Fund
Cash and cash equivalents	\$ 1,262,134	\$ 89
Investments:		
Fixed Income Fund	-	516
Equity Index Fund	-	307,591
Taxes receivable	394,764	-
Total assets	<u>\$ 1,656,898</u>	<u>\$ 308,196</u>
LIABILITIES		
Due to others	\$ 1,262,134	\$ -
Uncollected taxes	394,764	-
Total liabilities	<u>\$ 1,656,898</u>	<u>-</u>
NET POSITION		
Net position restricted for OPEB benefits		<u>\$ 308,196</u>

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

ORANGE COUNTY, NORTH CAROLINA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	OPEB Trust Fund
ADDITIONS	
Employer contributions	\$ 2,452,218
Investment income:	
Net appreciation of fair value of investments	7,255
Net investment income	7,255
Total additions	2,459,473
DEDUCTIONS	
Benefit payments	2,452,218
Total deductions	2,452,218
Change in net position	7,255
NET POSITION RESTRICTED FOR OPEB BENEFITS	
Beginning of year	300,941
End of year	\$ 308,196

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

NOTES TO THE FINANCIAL STATEMENTS



ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Orange County, North Carolina (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County's significant accounting policies are described below.

A. Reporting Entity

Orange County, North Carolina (the "County"), was founded in 1752 and is located in the northcentral portion of North Carolina on the Piedmont Plateau. The County has a commissioner/manager form of government with a seven-member elected Board of Commissioners comprising the governing body. The County provides the following services to its citizens: public health, public safety, mental health, social service programs, planning and zoning, cultural and recreational programs, and housing and community development service programs. In addition, inspections, environmental resources, land records, and vital statistics information are provided. Elementary and secondary education is provided by the State through locally elected educational boards with the assistance of the County.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County and its component unit. The component unit discussed below is included in the County's reporting entity because of the significance of their operational and financial relationship with the County. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Discretely Presented Component Unit

The Orange County Alcoholic Beverage Control Board (the "ABC Board") operates retail liquor stores within the County and investigates violations of laws pertaining to retail liquor sales. The five members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute surpluses to the General Fund of the County. Complete separate financial statements for the ABC Board may be obtained at its administrative office:

Orange County ABC Board
122 Highway 70 East
Hillsborough, North Carolina 27278

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the legally separate *component unit* for which the primary government is financially accountable. The statement of net position includes non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the County's capital assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers most revenues to be available if they are collected within 90 days of the end of the current fiscal period, except for property taxes which use a 60 day period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to other long-term liabilities, such as compensated absences and claims and judgments, are recorded only when payment is due.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Property taxes, sales taxes, franchise taxes, licenses, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

In accordance with GASB Statement No. 34, individual major funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Property Revaluation Fund is a legally budgeted fund under North Carolina General Statutes, which for reporting purposes is presented in the General Fund. The Community Loan Fund is also presented in the General Fund, for reporting purposes.

The **County Capital Improvements** fund is used to account for the financial resources used for the acquisition, renovation, and improvement of public facilities.

The **School Capital Improvements** fund is used to account for the financial resources used for the construction, acquisition, and renovation of public school facilities.

The County reports the following major enterprise funds:

The **Solid Waste Landfill Fund** accounts for the revenues and expenses related to the provision of solid waste disposal and recycling activities for the citizens of Orange County.

The **SportsPlex Fund** accounts for the operation, maintenance and development of the Triangle SportsPlex.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Additionally, the County reports the following fund types:

The **Special Revenue Funds** are used to account for specific revenues, such as various grants and contributions, which are legally restricted or committed to expenditures for particular purposes.

The **Capital Projects Funds** account for financial resources to be used for the acquisition and construction of major capital projects.

The **Enterprise Fund** accounts for the maintenance and development of the County's sewer system in Efland.

The **Internal Service Funds** account for the County's partially self-insured health and dental benefits plan which charges the other funds of the County for the insurance claims.

The **Fiduciary Funds** consist of two types, the first is agency funds, which are custodial in nature and do not involve measurement of results of operations. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: School District Fund, which accounts for the collection and disbursement of taxes for the Chapel Hill-Carrboro City School District for which the County acts as an agent; the Cooperative Extension 4-H Fund, which accounts for the receipts and disbursement of funds on behalf of the 4-H program advisory board; American Stone No Fault Well Repair Fund, which accounts for funds made available from American Stone and the Orange Water and Sewer Authority for residents within 3,000 feet of the perimeter of the American Stone Quarry to repair or replace residential wells that fail for any reason other than as the probable result of American Stone quarry operation; Communication Tower Trust Fund, which is used to account for application fees paid to the County by telecommunication companies, with these fees being used to pay costs associated with determining tower location and construction with unused fees being returned to the telecommunication companies; Jail Inmate Trust Fund, which accounts for the receipts from jail inmates who are incarcerated in the County jail; the DSS Trust Fund that accounts for funds held by the County for subsistence needs of specific social service clients; the Mental Health Insurance Fund, which accounts for the funds received from Orange Person Chatham "OPC" Mental Health Developmental Disabilities and Substance Abuse Authority and its former employees to cover insurance costs for retirees; the Orange County Giving Fund, which accounts for donor specific contributions to targeted initiatives; and the Crop Loan Fund, which accounts for the purchase of North Carolina grown products to be used by clients of the Piedmont Food and Agricultural Processing Center.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The second type of fiduciary fund is a Trust Fund. The Other Postemployment Benefit (OPEB) Trust Fund accounts for the accumulation of resources to be used for the employer portion of retiree health insurance premiums, at appropriate amounts and times in the future. Resources are contributed by the County at rates determined by actuarial computations.

In accounting and reporting for its proprietary operations, the government applies all GASB pronouncements. GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989 which did not conflict with or contradict GASB pronouncements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, any inter-fund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions.

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. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets

Annual appropriated budgets are adopted for all funds, with the exception of capital projects funds, the Community Development Fund, Grant Projects Fund, and the DSS Client Services Fund, for which project length budgets are adopted. Additionally, the County did not adopt a budget for the Recreation Subdivision Fund, Heusner Fund, Library Development Fund, the COVID-19 Relief Fund, the County Capital Reserve Fund or the School Capital Reserve Fund. In accordance with State law, the budgets adopted for the enterprise funds are adopted on the modified accrual basis of accounting, and a reconciliation is provided along with the budget schedule to reconcile from the modified accrual basis to the accrual basis. The governmental funds' budgets are adopted on a basis other than accounting principles generally accepted in the United States of America. Budgets are adopted to show use of fund balance as other financing sources for both governmental and proprietary funds, as well as the proprietary funds are budgeted on the modified accrual basis of accounting. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General fund, special revenue funds, and the enterprise funds. During the fiscal year ended June 30, 2020, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

All budget appropriations lapse at the end of each year.

E. Deposits and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County. The County pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Any deposit in excess of the federal depository insured amounts must be collateralized by an equivalent amount of State or U.S. obligations. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Deposits and Investments (Continued)

General Statute 159-30.1 allows the County to establish an Other Postemployment Benefit (OPEB) Trust managed by the staff of the Department of the State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC and G.S. 159-30(g) allows the County to make contributions to the Trust. The State Treasurer in his discretion may invest the proceeds in equities of certain publicly held companies and long or short term fixed income investments as detailed in G.S. 147-69.2(b)(1-6) and (8). Funds submitted are managed in three different sub-funds, the State Treasurer's Short Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by G.S. 147-69.1, the Bond Index Fund (BIF) consisting of high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6), and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund authorized under G.S. 147-69.2(b)(8).

F. Restricted Cash and Cash Equivalents

The County has restricted cash and cash equivalents related to unspent proceeds from long-term debt issued by the County Capital Improvements and School Capital Improvements Fund. These proceeds are held to be disbursed as costs are incurred on the financed construction projects.

G. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2019.

H. Allowances

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements and are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

J. Inventories

All inventories are valued at average cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories of the enterprise funds are recorded as expenses when consumed rather than when purchased.

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020, are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are accounted for using the consumption method in the governmental funds.

L. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets (Continued)

The County holds title to certain Orange County Board of Education and Chapel Hill-Carrboro City Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Orange County Board of Education and Chapel Hill-Carrboro City Board of Education.

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

Buildings and land improvements	20-30 years
Automotive equipment	3-5 years
Office and other equipment	5-20 years
Sewer lines	40 years

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. One item that qualifies for reporting in this category is the deferred charge on refunding reported in the government-wide and proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred, as either a deferred outflow or deferred inflow of resources, and amortized over the shorter of the life of the refunded debt or the refunding debt.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial statements 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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one (1) item that qualifies for reporting in this category which occurs in the governmental activities and governmental funds. The County reports a deferred inflow of resources for the property taxes paid in advance of the period they were intended to finance. Additionally, the County reports one (1) item which is reported as a deferred inflow of resources which arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from the accrual of ad valorem taxes and intergovernmental revenues which are earned by the County but are not considered available for the liquidation of current expenditures. Additionally, deferred inflows of resources are reported for outstanding lien receivables which are not collected within 90 days of the County's fiscal year-end.

The County also has deferred inflows and outflows related to the recording of changes in its net pension liability – LGERS, net pension liability – ROD, total pension liability – LEOSSA, and net other postemployment benefit (OPEB) liability. Certain changes in the net pension liability and net OPEB liability are recognized as expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the County's actuary which adjust the net pension liability and net OPEB liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability and net OPEB liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into expense over the expected remaining service lives of plan members. Changes in proportion and differences between employer contributions and proportionate share of contributions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on plan investments and actual return on those investments is also deferred and amortized against pension expense over a five year period.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Compensated Absences

Permanent employees of the County can earn vacation leave at the rate of 12 days per year for the first two years up to a maximum of 24 days per year after 20 years. Vacation leave may be accumulated with a maximum until January 31 of each year. On that date, any accumulated vacation leave in excess of 240 hours is converted to sick leave. The maximum amount of vacation leave that can be carried forward to February 1 is 240 hours. At termination, employees are paid for any accumulated vacation leave. These amounts are paid from the same fund to which the employee's salary is charged. Permanent employees of the County earn sick leave at a rate of 12 days per year. There is no limit on the accumulation of sick leave for the County. Sick leave does not vest with employees and therefore the County does not report a liability for unused sick leave.

O. Long-term Obligations

In the government-wide financial statements and proprietary fund types fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are accrued and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Bond issuance costs are expensed in the year of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

P. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity (Continued)

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (a) not in spendable form (i.e., items that are not expected to be converted to cash), or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. One component of the restricted fund balance of the General Fund relates to the Stabilization by State Statute (G.S. 159-8(a)) which requires total fund balance less the fund balance available for appropriation equals the total amount that must be restricted.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by the County's Board of Commissioners. Approval of a resolution after a formal vote of the County's Board is required to establish a commitment of fund balance. Similarly, the County's Board may only modify or rescind the commitment by formal vote and adoption of a subsequent resolution.

Assigned – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. The County's Board of Commissioners, through County Ordinance, has expressly delegated to the County Manager the authority to assign funds for particular purposes.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity (Continued)

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County’s policy to use fund balance in the following order: (1) Committed, (2) Assigned, and (3) Unassigned.

Net Position – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets.

Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted. As with many counties in the State of North Carolina, the County’s deficit in unrestricted net position is due primarily to the portion of the County’s outstanding general obligation and installment debt totaling approximately \$178.8 million incurred for the Orange County Board of Education and Chapel Hill-Carrboro City Board of Education (the “school system”). Under North Carolina law, the County is responsible for providing school system capital funding and has done so using a mixture of County funds and general obligation debt. The deficit results because the debt is recorded on the County’s financial statements as the issuing government, while the related assets are owned, operated, and recorded in the school system’s financial statements.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Q. Pensions

For purposes of measuring the net pension liability (asset), 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 the Register of Deeds’ Supplemental Pension Fund (RODSPF) and additions to/deductions from LGERS’ and RODSPF’s fiduciary net position have been determined on the same basis as they are reported by LGERS and RODSPF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Other Postemployment Benefits

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's Postemployment Healthcare Benefits Plan (PHCB Plan) and additions to/deductions from PHCB Plan's fiduciary net position have been determined on the same basis as they are reported by the PHCB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

S. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, deferred inflows of resources, and liabilities, the 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.

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NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds and net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$318,261,661 difference are as follows:

Installment notes	\$ (160,217,516)
Installment notes premiums	(10,480,565)
Bonds payable	(131,000,000)
Bond premium	(10,452,563)
Deferred outflow of resources - deferred charges on refunding	3,299,538
Revolving loan payable	(813,074)
Accrued interest payable	(2,881,503)
Claims payable, not accounted for in an internal service fund	(456,657)
Compensated absences (i.e., vacation)	(5,259,321)
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (318,261,661)</u></u>

Another element of that reconciliation explains that “the net pension liability (asset), total pension liability, net OPEB liability, and related deferred inflows and outflows of resources related to the County’s defined benefit pension and OPEB plans are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.” The details of this \$126,225,462 difference are as follows:

Total pension liability and related deferred inflows and outflows of resources - LEOSA - pension plan	\$ (4,016,513)
Net pension liability and related deferred inflows and outflows of resources - LGERS - pension plan	(8,486,255)
Net OPEB liability and related deferred inflows and outflows of resources	(113,940,060)
Net pension asset and related deferred inflows and outflows of resources - ROD Retirement Plan - pension plan	217,366
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (126,225,462)</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “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.” The details of this \$13,522,608 difference are as follows:

Capital outlay	\$ 18,983,027
Depreciation expense	<u>(5,460,419)</u>
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u>\$ 13,522,608</u>

Another element of the reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this \$59,119,697 difference are as follows:

Debt service payments on long-term liabilities	\$ 22,239,544
Refunding payments on long-term liabilities	14,549,364
Issuance of bonds and notes payable	(88,616,970)
Original issue premiums	<u>(7,291,635)</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u>\$ (59,119,697)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of the reconciliation states that “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.” The details of this \$12,474,968 difference are as follows:

Compensated absences (i.e., vacation)	\$ (1,272,201)
Change in accrued interest	(302,896)
Amortization of premium and deferred charges	2,686,067
Claims payable, not accounted for in an internal service fund	146,298
Net pension liability and related deferred outflows and inflows - LGERS	(4,376,919)
Total pension liability and related deferred outflows and inflows - LEOSSA	(205,932)
Net pension asset and related deferred outflows and inflows - ROD	(7,860)
Net OPEB liability and related deferred outflows and inflows	<u>(9,141,525)</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u><u>\$ (12,474,968)</u></u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Expenditures in Excess of Appropriations. The budget is officially adopted by the governing body prior to the beginning of its fiscal year, or a resolution authorizing the continuation of necessary and essential expenditures to operate the County will be adopted. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level, within the fund. Transfers of appropriations within a department budget or within a non-departmental expenditure category require only the approval of the County Manager. Increases in appropriations in a departmental budget or in a non-departmental expenditure category, require approval of the governing body in the form of amendments to the budget resolution.

The following is a list of the funds and departments which reported expenditures in excess of approved budgets:

General Fund

General government:	
Non-departmental	\$ 351,911
Public safety:	
Criminal justice	75,070
Human services:	
Non-departmental	10,345
Debt service:	
Interest	2,249,941

The over expended departments were funded through greater than anticipated revenues and other savings noted in other departments within the funds.

At June 30, 2020, the COVID-19 Relief Fund, a special revenue fund, has a deficit fund balance of \$722,240. This deficit will be eliminated in subsequent years via the collection of intergovernmental revenues which are currently accrued as receivable, but are not available to be recognized as revenues in the governmental fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits as of June 30, 2020, are summarized as follows:

Statement of Net Position:

Cash and cash equivalents	\$ 87,346,752
Restricted cash and cash equivalents	99,291,462
Fiduciary - agency funds	1,262,134
	<u>\$ 187,900,348</u>
Cash deposited with financial institutions	\$ 20,219,430
Cash deposited with NCCMT	167,680,918
	<u>\$ 187,900,348</u>

In addition to the above, the County's OPEB Trust Fund includes \$89 of cash equivalents invested with the State Treasurer's Short Term Investment Fund.

Credit risk. State statutes and the County's policies authorize the County to invest in obligations of the State of North Carolina or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the North Carolina Capital Management Trust (NCCMT); and obligations of other political subdivisions of the state of North Carolina. The County does not have a credit rating policy which provides restrictions or limitations on credit ratings for the County's investments.

As of June 30, 2020, the County had \$97,611,494 invested in the NCCMT's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's. The NCCMT's Government Portfolio is reported at fair value. The County has \$70,069,424 invested in the NCCMT Term Portfolio as of June 30, 2020. The NCCMT Term Portfolio is reported at fair value. Both portfolios are measured using Level 1 inputs from the fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets.

At June 30, 2020, the Orange County OPEB Trust Fund had \$308,196 invested in the State Treasurer's Local Government Other Postemployment Benefits (OPEB) Trust pursuant to G.S. 159-30.1. The State Treasurer's OPEB Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the County's OPEB Trust investment in the State Treasurer's OPEB Trust was invested as follows: State Treasurer's BIF 0.2% and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund 99.8%.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurement. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The County's OPEB Trust Fund has the following recurring fair value measurements as of June 30, 2020: (1) The State Treasurer's STIF assets (\$89) are valued using Level 2 inputs; (2) the State Treasurer's BIF (\$516) is valued using Level 2 inputs; and (3) the Blackrock's MSCI ACWE EQ Index Non-Lendable Class B Fund (\$307,591) is valued using Level 3 inputs.

The underlying investments in the STIF are recorded at fair value as of year-end in accordance with STIP operating procedures using active market information for trades at year-end. For the BIF, fair value is determined daily with the fair value for the fixed income securities in the BIF being calculated by a third party pricing vendor based on future principal and interest payments discounted using market yields. Fair values are determined for the Blackrock MSCI ACWE EQ Index Non-Lendable Class B Fund using net asset value measured as of the County's year-end using the value of the underlying investments which are predominately in international equities. The County invests in the Blackrock fund through the Office of the State Treasurer and there are no restrictions on withdrawal.

Interest Rate Risk. The County does not have a formal investment interest rate policy that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer's STIF had a weighted average maturity of 1.3 years at June 30, 2020. The State Treasurer's BIF had a weighted average maturity of 7.97 years at June 30, 2020. The County's investments with the NCCMT Term reported a weighted-average duration of 0.15 years at June 30, 2020.

Credit Risk. The County does not have a formal investment policy regarding credit risk for the OPEB Trust Fund. The STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer's STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate term treasuries, agencies, and money market instruments. The BIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer's BIF is invested in high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6). The Blackrock MSCI ACWE EQ Index Non-Lendable Class B Fund is unrated.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes (G.S. 159-31) require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2020, the County's deposits are insured or collateralized as required by GASB and state statutes.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Receivables at June 30, 2020, for the County's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>County Capital Improvements</u>	<u>Solid Waste Landfill</u>	<u>SportsPlex</u>	<u>Other Governmental</u>
Receivables:					
Taxes	\$ 4,553,296	\$ -	\$ -	\$ -	\$ 264,939
Accounts	833,838	70,417	532,980	14,853	3,497,956
Due from other governments	14,362,655	-	-	-	-
Less allowance for uncollectible	(1,993,274)	-	(102,484)	-	-
Net total receivables	<u>\$ 17,756,515</u>	<u>\$ 70,417</u>	<u>\$ 430,496</u>	<u>\$ 14,853</u>	<u>\$ 3,762,895</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the County for the year ended June 30, 2020, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Nondepreciable capital assets:				
Land and easements	\$ 20,073,934	\$ -	\$ -	\$ 20,073,934
Intangible rights	481,624	-	-	481,624
Construction in progress	27,617,954	17,939,219	-	45,557,173
Total	<u>48,173,512</u>	<u>17,939,219</u>	<u>-</u>	<u>66,112,731</u>
Capital assets, being depreciated:				
Buildings and improvements	97,763,238	-	-	97,763,238
Leasehold improvements	3,411,653	-	-	3,411,653
Automotive equipment	11,053,099	736,640	(412,705)	11,377,034
Other equipment	13,592,182	307,168	(33,437)	13,865,913
Total	<u>125,820,172</u>	<u>1,043,808</u>	<u>(446,142)</u>	<u>126,417,838</u>
Less accumulated depreciation for:				
Buildings and improvements	(48,253,654)	(2,776,850)	-	(51,030,504)
Leasehold improvements	(1,620,538)	(170,583)	-	(1,791,121)
Automotive equipment	(9,854,264)	(624,207)	412,705	(10,065,766)
Other equipment	(9,014,040)	(1,888,779)	33,437	(10,869,382)
Total	<u>(68,742,496)</u>	<u>(5,460,419)</u>	<u>446,142</u>	<u>(73,756,773)</u>
Total capital assets being depreciated, net	<u>57,077,676</u>	<u>(4,416,611)</u>	<u>-</u>	<u>52,661,065</u>
Governmental activities capital assets, net	<u>\$ 105,251,188</u>	<u>\$ 13,522,608</u>	<u>\$ -</u>	<u>\$ 118,773,796</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Solid Waste Landfill:				
Nondepreciable capital assets:				
Land	\$ 824,593	\$ -	\$ -	\$ 824,593
Construction in progress	3,184,807	266,668	-	3,451,475
Total	<u>4,009,400</u>	<u>266,668</u>	<u>-</u>	<u>4,276,068</u>
Capital assets, being depreciated:				
Land improvements	3,956,457	-	-	3,956,457
Buildings	5,084,038	-	-	5,084,038
Equipment	11,273,449	222,246	(205,922)	11,289,773
Total	<u>20,313,944</u>	<u>222,246</u>	<u>(205,922)</u>	<u>20,330,268</u>
Less accumulated depreciation for:				
Land improvements	(3,433,707)	(18,011)	-	(3,451,718)
Buildings	(1,744,689)	(163,499)	-	(1,908,188)
Equipment	(10,067,069)	(559,579)	205,922	(10,420,726)
Total	<u>(15,245,465)</u>	<u>(741,089)</u>	<u>205,922</u>	<u>(15,780,632)</u>
Total capital assets being depreciated, net	<u>5,068,479</u>	<u>(518,843)</u>	<u>-</u>	<u>4,549,636</u>
Solid Waste Landfill Fund capital assets, net	<u>\$ 9,077,879</u>	<u>\$ (252,175)</u>	<u>\$ -</u>	<u>\$ 8,825,704</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Efland Sewer Operating Fund:				
Nondepreciable capital assets:				
Land right of way	\$ 57,117	\$ -	\$ -	\$ 57,117
Total	<u>57,117</u>	<u>-</u>	<u>-</u>	<u>57,117</u>
Capital assets, being depreciated:				
Sewer Lines	3,707,847	-	-	3,707,847
Less accumulated depreciation	(1,776,530)	(87,133)	-	(1,863,663)
Total capital assets being depreciated, net	<u>1,931,317</u>	<u>(87,133)</u>	<u>-</u>	<u>1,844,184</u>
Efland Sewer Operating Fund capital assets, net	<u>\$ 1,988,434</u>	<u>\$ (87,133)</u>	<u>\$ -</u>	<u>\$ 1,901,301</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
SportsPlex				
Nondepreciable capital assets:				
Land	\$ 794,466	\$ -	\$ -	\$ 794,466
Construction in progress	3,310,886	175,533	-	3,486,419
Total	<u>4,105,352</u>	<u>175,533</u>	<u>-</u>	<u>4,280,885</u>
Capital assets, being depreciated:				
Buildings	8,367,420	-	-	8,367,420
Equipment	589,143	70,090	-	659,233
Total	<u>8,956,563</u>	<u>70,090</u>	<u>-</u>	<u>9,026,653</u>
Less accumulated depreciation for:				
Buildings	(3,361,295)	(304,815)	-	(3,666,110)
Equipment	(494,129)	(58,382)	-	(552,511)
Total	<u>(3,855,424)</u>	<u>(363,197)</u>	<u>-</u>	<u>(4,218,621)</u>
Total capital assets being depreciated, net	<u>5,101,139</u>	<u>(293,107)</u>	<u>-</u>	<u>4,808,032</u>
SportsPlex Fund capital assets, net	<u>\$ 9,206,491</u>	<u>\$ (117,574)</u>	<u>\$ -</u>	<u>\$ 9,088,917</u>

Depreciation expense was charged to functions/programs of the County as follows:

Governmental activities:	
Community services	\$ 240,226
General government	90,092
Public safety	1,465,093
Human services	112,289
Support services	<u>3,552,719</u>
Total depreciation expense - governmental activities	<u>\$ 5,460,419</u>
Business-type activities:	
Solid Waste Landfill	\$ 741,089
SportsPlex	363,197
Efland Sewer Operating	<u>87,133</u>
Total depreciation expense - business-type activities	<u>\$ 1,191,419</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2020 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds - direct placement	\$ 125,740,000	\$ 20,060,000	\$ (14,800,000)	\$ 131,000,000	\$ 7,000,000
Bond premium	9,475,663	2,863,303	(1,886,403)	10,452,563	-
General obligation bonds	<u>135,215,663</u>	<u>22,923,303</u>	<u>(16,686,403)</u>	<u>141,452,563</u>	<u>7,000,000</u>
Installment notes - direct borrowings and direct placement	112,389,455	68,556,970	(20,728,909)	160,217,516	15,945,620
Notes premium	6,957,768	4,428,332	(905,535)	10,480,565	-
Installment notes payable	<u>119,347,223</u>	<u>72,985,302</u>	<u>(21,634,444)</u>	<u>170,698,081</u>	<u>15,945,620</u>
Revolving loan - direct borrowing	2,097,037	-	(1,265,963)	831,074	58,077
Net pension liability - LGERS	17,087,193	9,625,715	(7,160,708)	19,552,200	-
Total pension liability - LEOSA	4,177,156	747,729	(216,174)	4,708,711	-
Compensated absences	3,987,120	1,633,582	(361,381)	5,259,321	3,155,593
Claims payable	602,955	179,066	(325,364)	456,657	456,657
Net OPEB liability	<u>106,718,695</u>	<u>33,735,705</u>	<u>(3,264,056)</u>	<u>137,190,344</u>	<u>-</u>
Governmental activity					
Long-term liabilities	<u>\$ 389,233,042</u>	<u>\$ 141,830,402</u>	<u>\$ (50,914,493)</u>	<u>\$ 480,148,951</u>	<u>\$ 26,615,947</u>
Business-type activities:					
Installment notes - direct borrowings and direct placement	\$ 11,501,093	\$ 1,919,030	\$ (1,366,181)	\$ 12,053,942	\$ 1,110,439
Notes premium	496,643	130,882	(72,972)	554,553	-
Installment notes	<u>11,997,736</u>	<u>2,049,912</u>	<u>(1,439,153)</u>	<u>12,608,495</u>	<u>1,110,439</u>
Postclosure liability	5,848,071	598,141	(449,310)	5,996,902	223,474
Net pension liability - LGERS	1,002,626	131,890	124,821	1,259,337	-
Compensated absences	252,839	163,040	(124,954)	290,925	174,555
Long-term liabilities	<u>\$ 19,101,272</u>	<u>\$ 2,942,983</u>	<u>\$ (1,888,596)</u>	<u>\$ 20,155,659</u>	<u>\$ 1,508,468</u>

For governmental funds, compensated absences are liquidated by the General Fund. The net pension liability – LGERS, total pension liability - LEOSA, net OPEB liability, and compensated absences are liquidated primarily by the General Fund. The claims payable liability is liquidated through the General Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

General Obligation Bonds

All general obligation bonds, serviced by the County's General Fund, are collateralized by full faith, credit, and taxing power of the County. The outstanding balances for the bonds as of June 30, 2020 are as follows:

<i>Governmental activities</i>	Balance as of June 30, 2020
\$24,440,000 2011 Refunding serial bond, due in semi-annual installments of \$20,550 to \$6,890,250 through February 1, 2023; interest at 2.00-4.00%	\$ 13,635,000
\$13,300,000 2012 Refunding serial bond, due in semi-annual installments through April 30, 2021; interest at 2.00-4.00%	6,445,000
\$5,900,000 2017 Series A bond, due in annual installments of \$500,000 to \$630,000 through February 1, 2028; interest at 4.00-5.00%	4,900,000
\$21,000,000 2017 Series B bond, due in annual installments of \$410,000 to \$1,470,000 through February 1, 2038; interest at 2.15-5.00%	21,000,000
\$2,500,000 2017 Series C bond, due in annual installments of \$560,000 to \$970,000 through February 1, 2021; interest at 1.55-1.90%	560,000
\$64,400,000 2018 Series bond, due in annual installments of \$3,575,000 to \$3,580,000 through August 1, 2038; interest at 3.00-5.00%	64,400,000
\$20,060,000 2020 Series bond, due in annual installments of \$1,000,000 to \$1,005,000 through August 1, 2040; interest at 2.00-5.00%	20,060,000
Total outstanding general obligation bonds payable	<u><u>\$ 131,000,000</u></u>

Of the amount serviced by the County's General Fund shown above, \$122,371,333 is considered to be school bond debt.

The debt service to maturity on the general obligation bonds is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2021	\$ 7,000,000	\$ 4,766,798	\$ 11,766,798
2022	12,790,000	4,690,400	17,480,400
2023	11,310,000	4,118,250	15,428,250
2024	8,615,000	3,619,000	12,234,000
2025	6,055,000	3,213,850	9,268,850
2026-2030	30,275,000	11,670,421	41,945,421
2031-2035	30,245,000	6,064,696	36,309,696
2036-2040	23,710,000	1,576,055	25,286,055
2041	1,000,000	11,250	1,011,250
Total	<u><u>\$ 131,000,000</u></u>	<u><u>\$ 39,730,720</u></u>	<u><u>\$ 170,730,720</u></u>

As of June 30, 2020, the County has \$18.6 million of authorized but unissued bonds.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Installment Notes Payable

Installment notes serviced by the County enterprise funds are as follows:

<i>Business-type activities</i>	<u>Balance as of June 30, 2020</u>
<i>Solid Waste Landfill Fund:</i>	
\$1,819,022 Direct Placement - Refunding 2011 Limited obligation bond, due in annual installments of \$106,136 to \$182,211 through October 1, 2027; interest at 2.00% to 5.00%.	\$ 224,876
\$2,711,195 Direct Placement - Refunding 2012 Limited obligation bond, due in annual installments of \$51,944 to \$213,292 through October 1, 2033; interest at 2.00% to 5.00%.	815,244
\$1,034,661 Direct Placement - 2015 Limited obligation bond, due in annual installments of \$13,892 to \$110,360 through April 1, 2035; interest at 2.00% to 5.00%.	634,894
\$562,719 Direct Borrowing - Installment note payable (2017), due in annual payments of \$36,883 to \$22,798; interest at 2.83% through June 1, 2037.	450,720
\$1,152,393 Direct Placement - Installment note payable (2017), due in annual payments of \$49,000 to \$281,000; interest at 4.00% to 5.00% through October 1, 2032.	1,152,394
\$335,000 Direct Placement - Installment note payable (2018), due in annual payments of \$60,000 to \$75,000; interest at 3.25% to 5.00% through April 1, 2037.	215,000
\$1,375,000 Direct Placement - Installment note payable (2019), due in annual installments of \$20,400 to \$193,750; interest at 4.00% to 5.00% through October 1, 2039.	1,375,000
Direct Placement - Refunding 2019B Limited obligation bonds for \$29,745,000 issued in November 2019 with annual payments of \$765,000 to \$4,660,000. The bond bears an interest rate of 1.75% to 5% and matures in 2039.	336,030
Direct Placement - 2020 Limited obligation bonds for \$40,731,000 issued in May 2020 with annual payments of \$1,773,000 to \$2,489,000. The bond bears an interest rate of 2.70% and matures in 2040.	998,000
<i>SportsPlex Fund:</i>	
\$1,149,150 Direct Placement - Refunding 2011 Limited obligation bond, due in annual installments of \$67,050 to \$204,630 through October 1, 2027; interest at 2.00% to 5.00%	141,956
\$3,981,477 Direct Placement - 2015 Limited obligation bond, due in annual installments of \$53,456 to \$424,678 through April 1, 2035; interest at 2.00% to 5.00%	2,494,184
\$2,764,001 Direct Borrowing - Installment note payable (2016), due in annual payments of \$36,883 to \$22,798; interest at 2.83% through June 1, 2037.	2,213,794
\$416,850 Direct Borrowing - Installment note payable (2017), due in annual payments of \$67,000 to \$146,700; interest at 4.00% to 5.00% through October 1, 2032.	416,850

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Installment Notes Payable (Continued)

<i>Business-type activities (Continued)</i>	Balance as of June 30, 2020
<i>Sportsplex (Continued)</i>	
Direct Placement - Refunding 2019B Limited obligation bonds for \$29,745,000 issued in November 2019 with annual payments of \$765,000 to \$4,660,000. The bond bears an interest rate of 1.75% to 5% and matures in 2039.	\$ 515,000
Direct Placement - 2020 Limited obligation bonds for \$40,731,000 issued in May 2020 with annual payments of \$1,773,000 to \$2,489,000. The bond bears an interest rate of 2.70% and matures in 2040.	70,000
Total outstanding installment notes payable	<u>\$ 12,053,942</u>

The debt service to maturity on the installment notes from direct borrowings and placements is as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,110,439	\$ 493,102	\$ 1,603,541
2022	1,254,488	428,139	1,682,627
2023	1,261,543	373,016	1,634,559
2024	1,321,706	321,357	1,643,063
2025	1,234,399	265,972	1,500,371
2026-2030	3,795,002	673,063	4,468,065
2031-2035	1,523,545	226,343	1,749,888
2036-2040	539,820	35,871	575,691
2041	13,000	175	13,175
Total	<u>\$ 12,053,942</u>	<u>\$ 2,817,038</u>	<u>\$ 14,870,980</u>

During 2018 the County issued \$27,120,000 of installment notes that carry an interest rate of 4.00% to 5.00%. The proceeds of the notes were used to partially advance refund \$16,583,634 of the 2011 installment notes, partially advance refund \$12,982,205 of the 2012 installment notes, and current refunding of \$2,400,000 of the 2006 installment note. The proceeds, along with the \$5,280,199 premium, were used to refund three existing notes, as well as pay for the cost of issuance on the new note. The new notes as well as the refunded notes are allocated between governmental activities and business-type activities.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Installment Notes Payable (Continued)

The reacquisition price exceeded the net carrying amount of the old debt by \$1,833,634 and \$1,437,205, for the 2011 note and the 2012 note, respectively. The deferred charges on refunding will be amortized over the life of the new notes. The refunding of the old notes created a debt service savings of \$2,003,394, to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,727,504.

During 2020 the County issued \$29,745,000 of installment notes that carry an interest rate of 1.75% - 5.00%. The proceeds of the note were used to partially advance refund \$4,790,000 of Series 2010 serial bonds and fully refund three other installment notes: SunTrust note issued in 2013, First Bank Draw I note issued in 2016 and First Bank Draw II note issued in 2016.

The requisition price exceeded the net carrying amount of the old debt by a cumulative total of \$3,521,414 for the serial bond, revolving loan and installment notes combined. The deferred charges on refunding will be amortized over the life of the new notes. The refunding of old notes created an economic net present value savings of \$483,344.

The installment notes are all secured by the underlying assets financed with the borrowings, along with the full faith and taxing authority of the County.

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NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Installment Notes Payable (Continued)

The County has various installment notes outstanding for buildings, equipment, and vehicle financing arrangements. The outstanding balances for the notes as of June 30, 2020, are as follows:

	Balance as of June 30, 2020
<i>Governmental activities</i>	
Direct Borrowing - Certificate of Participation for \$9,889,439 was issued in January 2011 with annual payments of \$659,296. The note bears an interest rate of 4% to 5% and matures in 2026.	\$ 3,955,776
Direct Placement - 2011 Refunded limited obligation bonds for \$35,336,828 issued in September 2011 with annual payments of \$2,163,291 to \$2,190,966. The bond bears an interest rate of 2% to 5% and matures in 2022.	4,368,094
Direct Placement - 2017 Refunding limited obligation bonds for \$25,550,757 issued in November 2017 with annual payments of \$545,000 to \$5,527,128. The bond bears an interest rate of 4% to 5% and matures in 2032.	24,445,757
Direct Placement - 2012 Refunded limited obligation bonds for \$56,268,805 issued in April 2012 with annual payments of \$3,143,535 to \$4,426,708. The bond bears an interest rate of 2% to 5% and matures in 2024.	16,919,756
Direct Placement - 2018 Limited obligation bonds for \$7,510,000 issued June 2018 with annual payments of \$210,000 to \$840,000. The note bears an interest rate of 3.25% to 5.00% and matures in 2039.	6,440,000
Direct Placement - \$4,136,434 of Qualified School Construction Bonds, due in annual installments of \$275,762 at 0% interest through March 15, 2025.	1,378,813
Direct Placement - 2015 Limited obligation bonds for \$20,110,000 issued in June 2015 with annual payments of \$202,653 to \$1,366,028. The bond bears an interest rate of 2% to 5% and matures in 2035.	9,210,921
Direct Borrowing - note issued by Sterling Bank for \$10,144,279 was issued in June 2017 with annual payments of \$669,461 to \$410,518. The note bears an interest rate of 2.83% and matures in 2037.	8,134,429

Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Installment Notes (Continued)

Governmental activities (Continued)

June 30, 2020

Direct Borrowing - note issued by Bank of America for \$10,589,000 was issued in January 2014 with annual payments of \$449,000 to \$1,218,000. The note bears an interest rate of 2.42% and matures in 2029.	\$ 4,047,000
Direct Placement - note issued by Bank of New York Mellon for \$12,760,00 was issued in May 2019 with annual payments of \$505,000 to \$930,000. The note bears an interest rate of 4.00% to 5.00% and matures in 2040.	12,760,000
Direct Placement - Refunding 2019B Limited obligation bonds for \$29,745,000 issued in November 2019 with annual payments of \$765,000 to \$4,660,000. The bond bears an interest rate of 1.75% to 5% and matures in 2040.	28,893,970
Direct Placement - 2020 Limited obligation bonds for \$40,731,000 issued in May 2020 with annual payments of \$1,773,000 to \$2,489,000. The bond bears an interest rate of 2.70% and matures in 2041.	39,663,000
Total outstanding installment notes payable	<u>\$ 160,217,516</u>

Of the original amount serviced by the County's governmental activities shown above, \$56,392,428 is considered to be school related debt.

The debt service to maturity on the installment notes from direct borrowings and placements is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2021	\$ 15,945,620	\$ 6,806,972	\$ 22,752,592
2022	17,399,571	5,631,271	23,030,842
2023	15,106,515	4,919,745	20,026,260
2024	14,378,352	4,229,206	18,607,558
2025	13,293,660	3,572,008	16,865,668
2026-2030	42,550,171	10,667,326	53,217,497
2031-2035	23,030,455	4,778,665	27,809,120
2036-2040	16,753,172	1,479,259	18,232,431
2041	1,760,000	23,760	1,783,760
Total	<u>\$ 160,217,516</u>	<u>\$ 42,108,212</u>	<u>\$ 202,325,728</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

State Revolving Loan Serviced by Governmental Funds

On June 21, 2011, the County was approved for a maximum loan amount of \$3,500,000 from the U. S. Environmental Protection Agency passed through the North Carolina Department of Environment and Natural Resources under the Clean Water State Revolving Fund. The loan proceeds were used for the construction of an extension to the Town Efland's Sewer System. The loan is being reported as long-term debt in governmental activities and is repayable at 2.445% for 20 years beginning six months after the completion of the project. During 2020, the County issued \$29,745,000 of Series 2019B of limited obligation bonds. A portion of the proceeds were used to retire \$1,138,324 of the state revolving loans. Debt service requirements to maturity on the remaining outstanding balance of the loans are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2021	\$ 58,077	\$ 16,261	\$ 74,338
2022	58,077	15,100	73,177
2023	58,077	13,938	72,015
2024	58,077	12,777	70,854
2025	58,077	11,615	69,692
2026-2030	290,384	40,654	331,038
2031-2034	232,305	11,615	243,920
Total	<u>\$ 813,074</u>	<u>\$ 121,960</u>	<u>\$ 935,034</u>

Landfill Closure and Postclosure

State and Federal laws and regulations require the County to place a final cover on its landfills when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites after closure. The County reported a liability for closure and postclosure care in the Solid Waste Landfill Fund of \$5,996,902. The County's municipal solid waste landfill is no longer accepting waste, has been closed and all estimated postclosure costs have been accrued. Phase 1 of the County's construction and demolition landfill continues to accept waste while the remaining phases have not been opened and are not included in the liability estimate. As of June 30, 2020, the construction and demolition landfill has used approximately 93% of the permitted 282,000 cubic yards of capacity. The remaining costs, not yet accrued for the construction and demolition landfill of \$548,760 will be recognized over the future life of the landfills as capacity is used. Actual costs may be higher upon completion of the cost estimates, or due to inflation, change in technology, or changes in regulations.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances as of June 30, 2020 is as follows:

Advance to/from other funds and due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Efland Sewer Fund	\$ 136,000
General Fund	Nonmajor governmental funds	742,190
SportsPlex Fund	County Capital Improvements Fund	432,022

The Efland Sewer Fund reports an advance from the General Fund for prior financing provided to the fund. The balance is expected to be repaid within the next several fiscal years. The interfund balance between the General Fund and nonmajor funds is considered a due to/from and is expected to be repaid within the next fiscal year upon collection of intergovernmental revenues accrued as accounts receivable in the COVID-19 Relief Fund. The payable from County Capital Improvements Fund to the SportsPlex Fund relates to a project that was paid for by the SportsPlex Fund that will be reimbursed from debt proceeds issued by the County for which the cash had not been moved as of year-end.

Interfund transfers:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 124,600
General Fund	Internal Service Funds	910,000
General Fund	Sportsplex Fund	9,402
General Fund	County Capital Improvements Fund	2,475,000
General Fund	School Capital Improvements Fund	3,000,000
		<u>\$ 6,519,002</u>
Solid Waste Landfill Fund	General Fund	\$ 11,695
County Capital Improvements	General Fund	\$ 619,272
School Capital Improvements	General Fund	\$ 4,247,000
School Capital Improvements	Nonmajor governmental funds	4,495,553
		<u>\$ 8,742,553</u>
Nonmajor governmental funds	General Fund	\$ 1,732,219

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Transfers from the School Capital Improvements Fund were made to move unrestricted investment earnings to cover the related debt service in the General Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS

Orange County participates in three defined benefit pension plans: the Local Governmental Employees' Retirement System (LGERS), Law Enforcement Officers Special Separation Allowance (LEOSSA), and the Register of Deeds' Supplemental Pension Fund (RODSPF). Only the LGERS and RODSPF are funded with qualifying trusts and accounted for by the County under GASB Statement No. 68. The LEOSSA is reported in accordance with GASB Statement No. 73. The net pension liability (asset), total pension liability, and related deferred outflows of resources and deferred inflows of resources for the LGERS, LEOSSA, and RODSPF are summarized as follows:

	LGERS	LEOSSA	RODSPF	Total
Net pension asset	\$ -	\$ -	\$ 199,819	\$ 199,819
Net pension liability	20,811,537	-	-	20,811,537
Total pension liability	-	4,708,711	-	4,708,711
Deferred outflows of resources related to pensions	11,840,006	824,442	27,275	12,691,723
Deferred inflows of resources related to pensions	55,673	132,244	9,728	197,645

A. Local Governmental Employees' Retirement System

Plan Description. Orange County is a participating employer in 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 Local Governmental Employees' Retirement System 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, by calling (919) 981-5454, or at www.osc.nc.gov.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

A. Local Governmental Employees' Retirement System (Continued)

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 postretirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. The Orange County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Orange County's contractually required contribution rate for the year ended June 30, 2020, was 9.70% of compensation for law enforcement officers and 8.95% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Orange County were \$4,264,529 for the year ended June 30, 2020.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

A. Local Governmental Employees' Retirement System (Continued)

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

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

At June 30, 2020, the County reported a liability of \$20,811,537 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2019, the County's proportion was 0.76207%, which was a decrease of 0.00046% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$8,960,598. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,563,462	\$ -
Net difference between projected and actual earnings on pension plan investments	507,622	-
Changes in proportion and differences between County contributions and proportionate share of contributions	112,458	55,673
Changes in plan assumptions	3,391,935	-
County contributions subsequent to the measurement date	4,264,529	-
Total	<u>\$ 11,840,006</u>	<u>\$ 55,673</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

A. Local Governmental Employees' Retirement System (Continued)

County contributions made subsequent to the measurement date of \$4,264,529 are reported as deferred outflows of resources and will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows or inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:

2021	\$ 3,772,341
2022	1,144,845
2023	2,030,773
2024	571,845
Total	<u>\$ 7,519,804</u>

Actuarial Assumptions. The total pension liability as of June 30, 2019, was determined by the December 31, 2018 actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* 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, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

A. Local Governmental Employees' Retirement System (Continued)

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, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 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 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

A. Local Governmental Employees' Retirement System (Continued)

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate.

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
County's proportionate share of the net pension liability (asset)	\$ 47,599,791	\$ 20,811,537	\$ (1,454,929)

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.

B. Law Enforcement Officers Special Separation Allowance

Plan Description. Orange County administers a public employee retirement system (the "Separation Allowance"), a single employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is administered by the State of North Carolina. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. A separate report is not issued for the Plan.

All full time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2018, the date of the most recent actuarial valuation the Separation Allowance's membership consisted of:

Retirees receiving benefits	13
Active plan members	<u>91</u>
Total	<u><u>104</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

B. Law Enforcement Officers Special Separation Allowance (Continued)

Basis of Accounting. The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Separation Allowance has no assets accumulated in a trust that meets the criteria, which are outlined in GASB Statement 73 paragraph 4.

Actuarial Assumptions. The entry age actuarial cost method was used in the December 31, 2018 valuation. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent per annum
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.26 percent

The discount rate used to measure the total pension liability is the Standard & Poor's 20-year Municipal Bond High Grade Rate Index. Since the prior measurement date, the discount rate has changed from 3.64% to 3.26% due to a change in the Municipal Bond Rate.

The plan currently uses RP-2014 Healthy Annuitant mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$235,658 as benefits came due for the reporting period.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

B. Law Enforcement Officers Special Separation Allowance (Continued)

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

At June 30, 2020, the County reported a total pension liability of \$4,708,711. The total pension liability was measured as of December 31, 2019, based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2019, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of \$441,589. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 471,219	\$ -
Changes in plan assumptions	220,169	132,244
County benefit payments made subsequent to the measurement date	133,054	-
Total	<u>\$ 824,442</u>	<u>\$ 132,244</u>

An amount of \$133,054 reported as deferred outflows of resources related to pensions, resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows or inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30

2021	\$ 143,831
2022	143,831
2023	140,476
2024	88,615
2025	42,391
Total	<u>\$ 559,144</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

B. Law Enforcement Officers Special Separation Allowance (Continued)

Changes in the Total Pension Liability. The changes in the total pension liability of the County for the fiscal year ended June 30, 2020, were as follows:

	<u>Total Pension Liability</u>
Balance at June 30, 2019	\$ 4,177,156
Service cost	149,644
Interest	148,114
Experience differences	314,668
Assumption changes	135,303
Contributions	(216,174)
Balance at June 30, 2020	<u>\$ 4,708,711</u>

The required schedule of changes in the County's total pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information.

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.26 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	<u>1% Decrease (2.26%)</u>	<u>Discount Rate (3.26%)</u>	<u>1% Increase (4.26%)</u>
Total pension liability	\$ 5,086,614	\$ 4,708,711	\$ 4,362,088

C. Register of Deeds Supplemental Pension Fund

Plan Description. The County also contributes to the Registers of Deeds Supplemental Pension Fund (RODSPF), a noncontributory cost-sharing multiple-employer, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

C. Register of Deeds Supplemental Pension Fund (Continued)

Benefits Provided. An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$8,528 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported an asset of \$199,819 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019, utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2019, the County's proportion was 1.01215%, which was a decrease of 0.11495% from its proportion measured as of June 30, 2018.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

C. Register of Deeds Supplemental Pension Fund (Continued)

For the year ended June 30, 2020, the County recognized pension expense of \$16,748. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 9,636
Net difference between projected and actual earnings on pension plan investments	2,045	-
Changes in proportion and differences between County contributions and proportionate share of contributions	16,702	92
Changes in assumptions	-	-
County contributions subsequent to the measurement date	8,528	-
Total	<u>\$ 27,275</u>	<u>\$ 9,728</u>

County contributions made subsequent to the measurement date of \$8,528 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:

2021	\$ 1,588
2022	7,541
2023	3,837
2024	(3,947)
Total	<u>\$ 9,019</u>

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

C. Register of Deeds Supplemental Pension Fund (Continued)

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, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2020, is 1.40%, including inflation.

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 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 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

C. Register of Deeds Supplemental Pension Fund (Continued)

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.75 percent) or one percentage point higher (4.75 percent) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (183,931)	\$ (199,819)	\$ (255,130)

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.

D. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income Plan (the "Plan"), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the state of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute, each month, an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Additionally, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2020, were \$762,679 which consisted of \$446,819 from the County and \$315,860 from the law enforcement officers.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS

Plan Administration and Benefits. The County, as authorized by the County Commission, administers a single-employer defined benefit Postemployment Healthcare Benefits Plan (the "PHCB Plan"). The PHCB Plan is administered by the County management, under the direction of the County's Board of Commissioners. The County pays 100 percent of the cost for "maximum retirees" of the County, while "other retirees" are eligible to enroll in the County's insurance plan, but must pay the full cost. Maximum Retirees are defined as meeting one of the following criteria: (1) employee with thirty (30) or more years of service with at least fifteen (15) of those years with the County; (2) employee with twenty-seven (27) or more years of service and three (3) years of prior military service with at least fifteen (15) of those years with the County; or (3) members of the governing board who have a total of sixteen (16) years of service in office. To qualify as an "other retiree," employees must meet one of the two following: (1) have twenty-five (25) to twenty-nine (29) years of service with at least ten (10) with the County or (2) have twenty (20) or more years of qualified service with at least ten (10) years with the County. Coverage for all retirees who are eligible for Medicare will be transferred to a Medicare Supplemental plan after qualifying for Medicare. The County's Board of Commissioners established and may amend the benefit provisions. A separate report was not issued for the PHCB Plan.

Plan Membership. Membership of the PHCB Plan consisted of the following at June 30, 2018, the date of the latest actuarial valuation:

Active participants	945
Retirees and beneficiaries currently receiving benefits	396
Total	<u>1,341</u>

Contributions. The Board of Commissioners established the contribution requirements of plan members which may be amended by the Board. The Board establishes rates based on an actuarially determined rate. For the year ended June 30, 2020, The County contributed \$2,595 per active employee. Plan members, once retired, contribute to the plan based on number of years of creditable service. The County's contribution is dependent on the employee's number of years of creditable service. Retirees pay a monthly premium of \$370 with up to ten years of creditable service and \$185 with ten to twenty years of creditable service. Retirees with more than twenty years of creditable service do not contribute to the plan. The Board of Commissioners may amend the benefit provisions.

Per a County resolution, the County is required to contribute the projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the Board. For the year ended June 30, 2020, current year benefit payments made by the County were \$2,452,218.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Investments

Investment policy. The HCB Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Commissioners by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The HCB Plan's discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. Investments are valued at fair value. The following was the Board's adopted asset allocation policy as of June 30, 2020:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Equity Index Fund	75.00%	6.75%
Fixed Income Index Fund	15.00%	2.84%
Cash	10.00%	2.32%
Total	<u>100.00%</u>	

Rates are shown net of the 2.50% assumed rate of inflation.

Rate of return. For the year ended June 30, 2020, the annual money weighted rate of return on investments of the HCB Plan, net of investment expense, was 2.4 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the County

The County's total OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, with the actuary using standard techniques to roll forward the liability to the measurement date.

Actuarial assumptions. The net OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	3.50%
Long-term expected rate of return on OPEB investments	5.00%, net of investment expenses, including inflation
Healthcare Cost Trend Rate:	7.25% - 4.75%, Ultimate Trend in 2028 (Pre-Medicare) 5.38% - 4.75%, Ultimate Trend in 2022 (Medicare)
Inflation Rate:	2.50%
Salary increase:	3.50% to 7.35% (LEO) or 7.75% (other), including inflation
Participation rate:	75% to 100%, depending on length of service

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Net OPEB Liability of the County (Continued)

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using scale MP-2015.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period 2010-2014.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the major target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Equity Index Fund	75.00%	6.75%
Fixed Income Index Fund	15.00%	2.84%
Cash	10.00%	2.32%
Total	100.00%	

Rates are shown net of the 2.50% assumed rate of inflation.

Discount rate. The discount rate used to measure the net OPEB liability was 2.21 percent. The projection of cash flows used to determine the discount rate assumed that the County will contribute in amounts consistent with its formal contribution policy. Based on those assumptions, the OPEB Trust Fund's fiduciary net position was projected to be available to make projected future benefit payments of current plan members until 2020. Therefore, the long-term expected rate of return on OEPB plan investments was applied to projected benefit payments until 2020 to determine the net OPEB liability. For projected benefit payments of current plan members after 2020, the index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 2.21 percent as determined by the Bond Buyer 20 year Bond GO Index Rate as of June 30, 2020 – was used. The discount rate of 2.21 percent was the single rate which, when applied to all projected benefit payments, resulted in the same present value of benefit payments when the above discussed calculations are combined. The discount rate of 2.21 percent was a decrease from the discount rate of 3.50 percent utilized to determine the net OPEB liability as of the beginning of the measurement period due to an increase in the underlying municipal bond rate index utilized.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Changes in the Net OPEB Liability of the County. The changes in the components of the net OPEB liability of the County for the year ended June 30, 2020, were as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/19	\$ 107,019,636	\$ 300,941	\$ 106,718,695
Changes for the year:			
Service cost	3,759,792	-	3,759,792
Interest	3,703,143	-	3,703,143
Differences between expected and actual experience	(804,583)	-	(804,583)
Assumption changes	26,272,770	-	26,272,770
Contributions—employer	-	2,452,218	(2,452,218)
Net investment income	-	7,255	(7,255)
Benefit payments	(2,452,218)	(2,452,218)	-
Net changes	<u>30,478,904</u>	<u>7,255</u>	<u>30,471,649</u>
Balances at 6/30/20	<u>\$ 137,498,540</u>	<u>\$ 308,196</u>	<u>\$ 137,190,344</u>

The Plan's fiduciary net position as a percentage of the total OPEB liability 0.2%

The required schedule of changes in the County's net OPEB liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total OPEB liability.

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Net OPEB liability	\$ 164,314,226	\$ 137,190,344	\$ 116,130,077

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.25% decreasing to 3.75%) or 1-percentage-point higher (8.25% decreasing to 5.75%) than the current healthcare cost trend rates:

	1% Decrease (6.25% to 3.75%)	Current (7.25% to 4.75%)	1% increase (8.25% to 5.75%)
Net OPEB liability	\$ 112,209,455	\$ 137,190,344	\$ 170,245,709

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2020 and the current sharing pattern of costs between employer and inactive employees.

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

For the year ended June 30, 2020, the County recognized OPEB expense of \$11,593,743. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 317,273	\$ 1,231,980
Changes in assumptions	26,995,416	2,830,530
Net difference between projected and actual earnings on OPEB plan investments	105	-
Total	<u>\$ 27,312,794</u>	<u>\$ 4,062,510</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2021	\$ 4,145,855
2022	4,145,856
2023	4,148,029
2024	4,352,408
2025	4,391,041
Thereafter	2,067,095
Total	<u>\$ 23,250,284</u>

NOTE 11. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in three self-funded risk financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$125.5 million for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, workers' compensation coverage up to the statutory limits, and health insurance for County employees. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Both of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of a \$500,000 retention up to a \$2 million limit for liability coverage, and \$1,750,000 of each loss in excess of a \$250,000 per occurrence retention for property, and auto physical damage. For workers' compensation there is a per occurrence retention of \$750,000. The County provides employee health and dental benefits through a self-insured plan provided by Dogwood Insurance Company (DIC). Claims are administered and paid directly from the plan by DIC. Specific stop-loss is set at \$100,000 per individual health insurance claim with an unlimited lifetime maximum. Aggregate stop-loss is set at the level of 125% with a minimum aggregate attachment point of \$6,516,502 and a contract period maximum of \$1,000,000.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT (CONTINUED)

The County carries flood insurance through the National Flood Insurance Plan (NFIP). Because the County is in an area of the State that has been mapped and designated an “A” area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency, the County is eligible to purchase coverage of \$1,000,000 per structure through the NFIP. The County also is eligible to and has purchased commercial flood insurance for another \$5,000,000 of coverage per structure.

A limited risk management program is also maintained for employees' health and dental benefits administered by a third-party administrator. Premiums are paid into the Health and Dental Internal Service Fund by all other funds and are available to pay claims and administrative costs of the program. During fiscal year 2020, a total of \$12,147,588 and \$88,359 were incurred for benefits and administrative costs for the dental and health plans, respectively.

The County's Internal Service Fund was established to account for an employee self-insurance health benefit program. The purpose of the fund is to pay medical claims of County employees and their covered dependents and minimize the total cost of annual medical insurance to the municipality. Funding is provided by employee contributions and charges to the various funds of the County based upon estimated claim and employee participation. Expected claims are determined annually by the reinsurance carrier. The County carries aggregate stop loss insurance coverage of 125% of annual expected paid claims and individual stop loss coverage of \$100,000 per covered individual and an aggregating specific deductible of \$250,000 through the plan administrator utilizing a reinsurance carrier. The County has recognized a provision for claims incurred, but not reported, in the accompanying financial statements. This provision is estimated based upon actuarial claims history utilizing a two month lag on outstanding claims.

The County participates in the North Carolina Association of County Commissioners Workers' Compensation Plan for workers' compensation claims up to \$150,000 for each occurrence. The County has reinsurance for all individually claim occurrences in excess of the \$150,000.

The County also purchases commercial insurance to protect against claims for property, general liability, auto liability, public officials, and employee bonds. Claims have not exceeded coverage in the past three years. There have been no significant reductions in insurance coverage in the past three years.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Finance Officer and Tax Collector are each individually bonded for \$250,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT (CONTINUED)

For the Dental and Health Insurance Internal Service Fund, a total of \$12,046,168 in claims and changes in estimates were incurred for benefits during the year ended June 30, 2020. Changes in the fund's claims liability amounts in the years ended June 30, 2020 and 2019, were as follows:

DENTAL AND HEALTH INSURANCE CLAIMS PAYABLE				
Fiscal Year	Beginning of Year Claims Liability	Current Year Claims and Changes in Estimates	Claims Paid	End of Year Claims Liability
2020	\$ 806,804	\$ 12,147,588	\$ 12,272,080	\$ 682,312
2019	941,520	12,654,248	12,788,964	806,804

WORKERS' COMPENSATION CLAIMS PAYABLE				
Fiscal Year	Beginning of Year Claims Liability	Current Year Claims and Changes in Estimates	Claims Paid	End of Year Claims Liability
2020	\$ 602,955	\$ 179,066	\$ 325,364	\$ 456,657
2019	654,715	231,902	283,662	602,955

Litigation:

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management and legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Grant Contingencies:

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the County believes such disallowances, if any, will not be significant.

Construction Commitments:

The County has active construction projects as of June 30, 2020. At year-end, the County has contractual commitments on uncompleted contracts of approximately \$31,726,202.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. JOINTLY GOVERNED ORGANIZATIONS

Orange Water and Sewer Authority. The Orange Water and Sewer Authority is a public authority created under North Carolina law, which was established for the purpose of providing water and sewer service in a defined area within the County. The Authority has a nine-member governing body with two members appointed by the Orange County Board of Commissioners, two members appointed by the Board of Aldermen of the Town of Carrboro, and five members appointed by the Mayor and Town Council of the Town of Chapel Hill. The County is not responsible for any debt of the Authority or any of its deficits. The County is not entitled to surpluses of the Authority, has no responsibility for the designation of its management, does not have any significant influence over its operations, and the Authority is not accountable to the County for fiscal matters.

Triangle Transit Authority. Orange County, in conjunction with other area local governments, is a member of the Research Triangle Regional Public Transportation Authority. Orange County appoints one member to the governing board. The Authority possesses final decision making ability and is solely responsible for the management, budget, and fiscal operations of the Authority.

NOTE 13. JOINT VENTURES

Orange-Person-Chatham Area Mental Health, Mental Retardation, and Substance Abuse Authority. Mental health, mental retardation, and substance abuse services within the County are provided by a tri-county regional authority. Each County appoints one Commissioner to the Authority's sixteen-member Board. The remaining thirteen members are selected by the three appointed Commissioners. Since the Authority does not have the power to issue debt obligations, any such obligations would be issued by the counties involved. The County is not responsible for the Authority's deficits and is not entitled to its surpluses. It also has no responsibility for the designation of management and does not have significant influence over the operations of the Authority.

The County makes an annual appropriation to the Authority, but the majority of the funding comes from other sources. During the fiscal year ended June 30, 2020, the County contributed \$816,812 to the Authority. None of the participating governments have any equity interest in the Authority, so no equity interest has been reflected in the financial statements at June 30, 2020. Complete financial statements for the Authority can be obtained from the Authority's offices at 100 Europe Drive, Suite 490, Chapel Hill, North Carolina 27517.

REQUIRED SUPPLEMENTARY INFORMATION



ORANGE COUNTY, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION OPEB RETIREMENT PLAN SCHEDULE OF CHANGES IN THE COUNTY'S NET OPEB LIABILITY AND RELATED RATIOS

	2020	2019	2018	2017
Total OPEB liability				
Service cost	\$ 3,759,792	\$ 3,546,801	\$ 3,733,643	\$ 4,183,701
Interest on total OPEB liability	3,703,143	3,694,759	3,398,954	3,039,332
Difference between expected and actual experience	(804,583)	(793,706)	574,520	-
Changes of assumptions and other inputs	26,272,770	6,841,423	(5,125,557)	(9,448,990)
Benefit payments	(2,452,218)	(2,477,527)	(3,137,462)	(3,300,768)
Net change in total OPEB liability	30,478,904	10,811,750	(555,902)	(5,526,725)
Total OPEB liability - beginning	107,019,636	96,207,886	96,763,788	102,290,513
Total OPEB liability - ending (a)	\$ 137,498,540	\$ 107,019,636	\$ 96,207,886	\$ 96,763,788
Plan fiduciary net position				
Contributions - employer	\$ 2,452,218	\$ 2,477,527	\$ 3,137,462	\$ 3,550,768
Net investment income	7,255	17,163	23,856	9,922
Benefit payments	(2,452,218)	(2,477,527)	(3,137,462)	(3,300,768)
Net change in plan fiduciary net position	7,255	17,163	23,856	259,922
Plan fiduciary net position - beginning	300,941	283,778	259,922	-
Plan fiduciary net position - ending (b)	\$ 308,196	\$ 300,941	\$ 283,778	\$ 259,922
County's net OPEB liability - ending (a) - (b)	\$ 137,190,344	\$ 106,718,695	\$ 95,924,108	\$ 96,503,866
Plan fiduciary net position as a percentage of the total OPEB liability	0.22%	0.28%	0.29%	0.27%
Covered payroll	\$ 47,235,903	\$ 47,235,903	\$ 45,902,461	\$ 42,769,990
Net OPEB liability as a percentage of covered payroll	290.4%	225.9%	209.0%	225.6%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

ORANGE COUNTY, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION OPEB RETIREMENT PLAN SCHEDULE OF COUNTY CONTRIBUTIONS

	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 7,895,271	\$ 7,192,181	\$ 7,192,181	\$ 6,820,935	\$ 5,374,915
Contributions in relation to the actuarially determined contribution	2,452,218	2,477,527	3,137,462	3,550,768	2,361,272
Contribution deficiency (excess)	\$ 5,443,053	\$ 4,714,654	\$ 4,054,719	\$ 3,270,167	\$ 3,013,643
Covered payroll	\$ 47,235,903	\$ 47,235,903	\$ 45,902,461	\$ 45,902,461	\$ 42,769,990
Contributions as a percentage of covered payroll	5.19%	5.25%	6.84%	7.74%	5.52%

Notes to the Schedule:

(1) Actuarial Assumptions

Valuation Date	June 30, 2018
Cost Method	Entry Age
Actuarial Asset Valuation Method	Market Value of Assets
Assumed Rate of Return on Investments	5.00%, net of investment expenses, including inflation
Projected Salary Increases	3.50% to 7.75%, including 3.5% for inflation
Cost-of-living Adjustment	None
Amortization Method	Level Percentage of Payroll, Assuming 3.50% Payroll Growth
Remaining Amortization Period	27 years, closed
Health Care Cost Trends:	
Pre-Medicare	7.25% for 2018, decreasing to an ultimate rate of 4.75% by 2028
Medicare	5.38% for 2018, decreasing to an ultimate rate of 4.75% by 2022

(2) The schedule will present 10 years of information once it is accumulated.

ORANGE COUNTY, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION OPEB RETIREMENT PLAN SCHEDULE OF OPEB INVESTMENT RETURNS

	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expenses for the County's OPEB Plan	2.4%	6.1%	0.7%	4.0%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

ORANGE COUNTY, NORTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
JUNE 30, 2020**

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

	2020	2019	2018	2017
Beginning balance of the total pension liability	\$ 4,177,156	\$ 4,016,727	\$ 3,542,524	\$ 3,494,747
Service Cost	149,644	158,300	134,129	135,380
Interest on the total pension liability	148,114	123,815	133,794	122,514
Difference between expected and actual experience	314,668	237,158	130,316	-
Changes of assumptions or other inputs	135,303	(161,804)	228,699	(84,160)
Benefit payments	(216,174)	(197,040)	(152,735)	(125,957)
Ending balance of the total pension liability	<u>\$ 4,708,711</u>	<u>\$ 4,177,156</u>	<u>\$ 4,016,727</u>	<u>\$ 3,542,524</u>

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

ORANGE COUNTY, NORTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
LAST FIVE FISCAL YEARS**

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

	2020	2019	2018	2017	2016
Total pension liability	\$ 4,708,711	\$ 4,177,156	\$ 4,016,727	\$ 3,542,524	\$ 3,494,747
County's covered-employee payroll	\$ 5,400,524	\$ 5,161,378	\$ 5,086,750	\$ 4,842,049	\$ 4,190,815
Total pension liability as a percentage of covered-employee payroll	87.19%	80.93%	78.96%	73.16%	83.39%

Orange County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

ORANGE COUNTY, NORTH CAROLINA

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

LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.76207%	0.76253%	0.75814%	0.78464%	0.70825%	0.69420%	0.66320%
County's proportion of the net pension liability (asset) (\$)	\$ 20,811,537	\$ 18,089,819	\$ 11,582,279	\$ 16,652,689	\$ 3,178,584	\$ (4,094,256)	\$ 7,994,107
County's covered payroll	\$ 46,005,737	\$ 47,246,720	\$ 44,203,050	\$ 45,272,812	\$ 43,233,224	\$ 41,507,819	\$ 39,732,374
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	45.24%	38.29%	26.20%	36.78%	7.35%	(9.86%)	20.12%
Plan fiduciary net position as a percentage of the total pension liability	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

ORANGE COUNTY, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF COUNTY'S CONTRIBUTIONS LAST SIX FISCAL YEARS

LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 4,264,529	\$ 3,588,591	\$ 3,841,938	\$ 3,525,190	\$ 3,104,810	\$ 3,041,550
Contributions in relation to the contractually required contribution	4,264,529	3,588,591	3,841,938	3,525,190	3,104,810	3,041,550
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 47,383,875	\$ 46,005,737	\$ 47,246,720	\$ 44,203,050	\$ 45,272,812	\$ 43,233,224
Contributions as a percentage of covered payroll	9.00%	7.80%	8.13%	7.97%	6.86%	7.04%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Method and assumptions used in calculations of actuarially determined contributions : The actuarially determined contribution rates in the schedule of contributions are calculated as of December 31, one year prior to the end of the fiscal year in which contributions are reported.

ORANGE COUNTY, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) LAST SEVEN FISCAL YEARS

REGISTER OF DEEDS SUPPLEMENTAL PENSION FUND

	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension asset (%)	1.01215%	1.12710%	1.12581%	1.15307%	1.09301%	1.05600%	1.11000%
County's proportion of the net pension liability (asset) (\$)	\$ (199,819)	\$ (186,682)	\$ (192,165)	\$ (215,578)	\$ (253,294)	\$ (239,437)	\$ (236,989)
County's covered payroll	83,580	82,394	83,374	78,416	76,112	74,594	72,016
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-239.08%	-226.57%	-230.49%	-274.92%	-332.79%	-320.99%	-329.08%
Plan fiduciary net position as a percentage of the total pension liability (asset)	164.11%	153.31%	153.77%	160.17%	197.29%	193.88%	194.35%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

ORANGE COUNTY, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF COUNTY'S CONTRIBUTIONS LAST SIX FISCAL YEARS

REGISTER OF DEEDS SUPPLEMENTAL PENSION FUND

	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 8,528	\$ 6,519	\$ 6,229	\$ 6,103	\$ 4,573	\$ 8,746
Contributions in relation to the contractually required contribution	8,528	6,519	6,229	6,103	4,573	8,746
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 95,450	\$ 83,580	\$ 82,394	\$ 83,374	\$ 78,416	\$ 76,112
Contributions as a percentage of covered payroll	8.93%	7.80%	7.56%	7.32%	5.83%	11.49%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Method and assumptions used in calculations of actuarially determined contributions : The actuarially determined contribution rates in the schedule of contributions are calculated as of December 31, one year prior to the end of the fiscal year in which contributions are reported.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Local Fire Districts Fund - accounts for the collection of special fire district taxes that are returned quarterly to the fire districts on a budgeted basis.

Grant Supported Fund - accounts for grants awarded for various County departments on the County's fiscal year basis.

Grant Projects Fund - accounts for grants awarded for various County departments on a federal fiscal year basis.

Sheriff Forfeitures Fund - accounts for Federal and State seizure revenues and the expenditures of those restricted revenues.

Community Development Fund - accounts for federal funds used for residential rehabilitation, street improvements, water and sewer, recreational facilities, relocation assistance in low income neighborhoods and affordable housing initiatives. This multi-year project is accounted for on a federal fiscal year basis.

Section 8 Housing Fund - accounts for HUD-funded programs, Section 8 Vouchers Program.

Article 46 Sales Tax Fund - accounts for the revenues received from the Article 46 ¼ cents sales tax and the related project expenditures for the fund.

Emergency Telephone System Fund - accounts for revenues from E-911 subscriber fees and wireless 911 fees and expenditures associated with the purchase and maintenance of emergency communications equipment for the enhanced 911 computer aided dispatch system.

Visitors' Bureau Fund - accounts for proceeds of a 2% County-wide hotel/motel occupancy tax which is used by the Visitors' Bureau to maximize the economic benefit derived from visitors to the County.

Spay/Neuter Fund - accounts for donations and fees received by private individuals to promote pet sterilization throughout the County.

DSS Client Services - accounts for monies collected by Social Services from parents for the fees related to the adoption of a child.

Impact Fee Fund - accounts for fees assessed on new residential development within the County. These fees are to be used for the construction of public school facilities throughout the County.

Recreation Subdivision Fund - accounts for payments received from local developers to assist in construction of recreation projects in and around County subdivisions.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (Continued)

Heusner Fund - accounts for donations made by private individuals for use in foster care programs administered by the Department of Social Services.

COVID-19 Relief Fund - accounts for COVID grant funds expended by the County in response to COVID-19.

Library Development Fund - accounts for donations made by private individuals for use in the County library.

Capital Project Funds

School Capital Reserve Fund - accounts for restricted capital reserves and the interest earned on the assets.

County Capital Reserve Fund - accounts for restricted capital reserves and the interest earned on the assets.

ORANGE COUNTY, NORTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

ASSETS	Special Revenue Funds				
	Local Fire Districts	Grant Supported	Grant Projects	Sheriff Forfeitures	Community Development
Cash and cash equivalents	\$ 1,543,267	\$ 81,557	\$ 979,310	\$ 1,267,036	\$ 1,366,398
Accounts receivable	-	-	37,200	-	1,043,198
Taxes receivable	264,939	-	-	-	-
Total assets	<u>\$ 1,808,206</u>	<u>\$ 81,557</u>	<u>\$ 1,016,510</u>	<u>\$ 1,267,036</u>	<u>\$ 2,409,596</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	\$ -	\$ 464	\$ 16,544	\$ -	\$ 115,846
Due to other funds	-	-	-	-	-
Payroll withholdings	-	951	11,483	-	27,504
Total liabilities	<u>-</u>	<u>1,415</u>	<u>28,027</u>	<u>-</u>	<u>143,350</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - intergovernmental	-	-	268,910	-	-
Unavailable revenues - ad valorem	220,847	-	-	-	-
Total deferred inflows of resources	<u>220,847</u>	<u>-</u>	<u>268,910</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted:					
Stabilization by State Statute	-	-	-	-	-
Public safety	1,587,359	-	-	1,267,036	-
Human services	-	33,099	-	-	-
Community services	-	-	-	-	-
Capital projects	-	-	-	-	-
Committed:					
Human services	-	-	-	-	-
Education	-	-	-	-	-
Community services	-	-	-	-	-
Assigned:					
Capital projects	-	-	-	-	-
Human services	-	47,043	719,573	-	2,266,246
Community services	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>1,587,359</u>	<u>80,142</u>	<u>719,573</u>	<u>1,267,036</u>	<u>2,266,246</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,808,206</u>	<u>\$ 81,557</u>	<u>\$ 1,016,510</u>	<u>\$ 1,267,036</u>	<u>\$ 2,409,596</u>

Special Revenue Funds						
Section 8 Housing	Article 46 Sales Tax	Emergency Telephone System	Visitors Bureau	Spay/Neuter	DSS Client Services	Impact Fees
\$ 499,773	\$ 3,936,036	\$ -	\$ 504,658	\$ 47,629	\$ 171,145	\$ 515
-	1,580,352	47,769	67,197	-	-	-
-	-	-	-	-	-	-
\$ 499,773	\$ 5,516,388	\$ 47,769	\$ 571,855	\$ 47,629	\$ 171,145	\$ 515
\$ 3,440	\$ 85,701	\$ 6,895	\$ 16,457	\$ 2,905	\$ 1,368	\$ -
-	-	19,950	-	-	-	-
-	-	3,335	18,843	-	-	-
3,440	85,701	30,180	35,300	2,905	1,368	-
-	-	-	15,000	-	-	-
-	-	-	-	-	-	-
-	-	-	15,000	-	-	-
-	1,580,352	-	52,197	-	-	-
-	-	17,589	-	-	-	-
132,841	-	-	-	-	-	-
-	-	-	469,358	-	-	-
-	-	-	-	-	-	515
-	-	-	-	-	169,777	-
-	2,710,240	-	-	-	-	-
-	1,140,095	-	-	-	-	-
-	-	-	-	-	-	-
363,492	-	-	-	-	-	-
-	-	-	-	44,724	-	-
-	-	-	-	-	-	-
496,333	5,430,687	17,589	521,555	44,724	169,777	515
\$ 499,773	\$ 5,516,388	\$ 47,769	\$ 571,855	\$ 47,629	\$ 171,145	\$ 515

ORANGE COUNTY, NORTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

ASSETS	Special Revenue Funds				Capital Project Funds		Total Nonmajor Governmental Funds
	Recreation Subdivision	Heusner	COVID-19 Relief	Library Development	School Capital Reserve	County Capital Reserve	
Cash and cash equivalents	\$ 570,075	\$ 9,539	\$ -	\$ 99,352	\$ 118,142	\$ 15,862	\$ 11,210,294
Accounts receivable	-	-	722,240	-	-	-	3,497,956
Taxes receivable	-	-	-	-	-	-	264,939
Total assets	\$ 570,075	\$ 9,539	\$ 722,240	\$ 99,352	\$ 118,142	\$ 15,862	\$ 14,973,189
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 249,620
Due to other funds	-	-	722,240	-	-	-	742,190
Payroll withholdings	-	-	-	-	-	-	62,116
Total liabilities	-	-	722,240	-	-	-	1,053,926
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues - intergovernmental	-	-	722,240	-	-	-	1,006,150
Unavailable revenues - ad valorem	-	-	-	-	-	-	220,847
Total deferred inflows of resources	-	-	722,240	-	-	-	1,226,997
FUND BALANCES							
Restricted:							
Stabilization by State Statute	-	-	-	-	-	-	1,632,549
Public safety	-	-	-	-	-	-	2,871,984
Human services	-	-	-	-	-	-	165,940
Community services	570,075	9,539	-	99,352	-	-	1,148,324
Capital projects	-	-	-	-	-	-	515
Committed:							
Human services	-	-	-	-	-	-	169,777
Education	-	-	-	-	-	-	2,710,240
Community services	-	-	-	-	-	-	1,140,095
Assigned:							
Capital projects	-	-	-	-	118,142	15,862	134,004
Human services	-	-	-	-	-	-	3,396,354
Community services	-	-	-	-	-	-	44,724
Unassigned	-	-	(722,240)	-	-	-	(722,240)
Total fund balances	570,075	9,539	(722,240)	99,352	118,142	15,862	12,692,266
Total liabilities, deferred inflows of resources, and fund balances	\$ 570,075	\$ 9,539	\$ 722,240	\$ 99,352	\$ 118,142	\$ 15,862	\$ 14,973,189

ORANGE COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds				
	Local Fire Districts	Grant Supported	Grant Projects	Sheriff Forfeitures	Community Development
REVENUES					
Property taxes	\$ 6,437,381	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Intergovernmental revenues	-	44,650	627,106	121,257	965,587
Charges for services	-	41,818	-	-	-
Investment earnings	16,694	-	-	11,982	4,928
Miscellaneous	-	-	-	-	-
Total revenues	<u>6,454,075</u>	<u>86,468</u>	<u>627,106</u>	<u>133,239</u>	<u>970,515</u>
EXPENDITURES					
General government	-	-	-	-	-
Community services	-	-	-	-	-
Public safety	6,417,720	-	34,519	90,047	-
Education	-	-	-	-	-
Human services	-	155,687	637,921	-	1,844,715
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>6,417,720</u>	<u>155,687</u>	<u>672,440</u>	<u>90,047</u>	<u>1,844,715</u>
Excess (deficiency) of revenues over expenditures	36,355	(69,219)	(45,334)	43,192	(874,200)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	47,043	10,000	-	1,384,087
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>47,043</u>	<u>10,000</u>	<u>-</u>	<u>1,384,087</u>
Net change in fund balances	36,355	(22,176)	(35,334)	43,192	509,887
FUND BALANCES, beginning of year	<u>1,551,004</u>	<u>102,318</u>	<u>754,907</u>	<u>1,223,844</u>	<u>1,756,359</u>
FUND BALANCES (DEFICIT), end of year	<u>\$ 1,587,359</u>	<u>\$ 80,142</u>	<u>\$ 719,573</u>	<u>\$ 1,267,036</u>	<u>\$ 2,266,246</u>

Special Revenue Funds						
Section 8 Housing	Article 46 Sales Tax	Emergency Telephone System	Visitors Bureau	Spay/Neuter	DSS Client Services	Impact Fees
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	3,674,508	-	-	-	-	-
-	-	-	1,247,530	25,260	-	-
4,346,901	-	-	418,087	-	4,642	-
-	-	573,225	-	-	-	-
6,170	40,246	-	6,691	461	1,429	-
-	801,180	-	1,800	36,716	54,860	-
<u>4,353,071</u>	<u>4,515,934</u>	<u>573,225</u>	<u>1,674,108</u>	<u>62,437</u>	<u>60,931</u>	<u>-</u>
-	-	-	223,016	-	-	-
-	862,138	-	1,684,914	55,561	-	-
-	-	623,297	-	-	-	-
-	1,698,598	-	-	-	-	-
4,270,572	-	-	-	-	35,056	-
-	490,395	-	-	-	-	-
-	275,770	-	-	-	-	-
<u>4,270,572</u>	<u>3,326,901</u>	<u>623,297</u>	<u>1,907,930</u>	<u>55,561</u>	<u>35,056</u>	<u>-</u>
82,499	1,189,033	(50,072)	(233,822)	6,876	25,875	-
50,342	-	-	-	-	-	-
-	-	-	-	(12,600)	-	(112,000)
<u>50,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,600)</u>	<u>-</u>	<u>(112,000)</u>
132,841	1,189,033	(50,072)	(233,822)	(5,724)	25,875	(112,000)
<u>363,492</u>	<u>4,241,654</u>	<u>67,661</u>	<u>755,377</u>	<u>50,448</u>	<u>143,902</u>	<u>112,515</u>
<u>\$ 496,333</u>	<u>\$ 5,430,687</u>	<u>\$ 17,589</u>	<u>\$ 521,555</u>	<u>\$ 44,724</u>	<u>\$ 169,777</u>	<u>\$ 515</u>

ORANGE COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds				Capital Project Funds		Total Nonmajor Governmental Funds
	Recreation Subdivision	Heusner	COVID-19 Relief	Library Development	School Capital Reserve	County Capital Reserve	
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,437,381
Sales tax	-	-	-	-	-	-	3,674,508
Other taxes	-	-	-	-	-	-	1,272,790
Intergovernmental revenues	-	-	-	-	-	-	6,528,230
Charges for services	-	-	-	-	-	-	615,043
Investment earnings	5,555	-	-	2,670	1,151	58,908	156,885
Miscellaneous	1,820	93	-	-	-	-	896,469
Total revenues	7,375	93	-	2,670	1,151	58,908	19,581,306
EXPENDITURES							
General government	-	-	50,620	-	-	-	273,636
Community services	-	-	-	18	-	-	2,602,631
Public safety	-	-	787,375	-	-	-	7,952,958
Education	-	-	-	-	-	-	1,698,598
Human services	-	-	124,992	-	-	-	7,068,943
Debt service:							
Principal	-	-	-	-	-	-	490,395
Interest	-	-	-	-	-	-	275,770
Total expenditures	-	-	962,987	18	-	-	20,362,931
Excess (deficiency) of revenues over expenditures	7,375	93	(962,987)	2,652	1,151	58,908	(781,625)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	240,747	-	-	-	1,732,219
Transfers out	-	-	-	-	-	(4,495,553)	(4,620,153)
Total other financing sources (uses)	-	-	240,747	-	-	(4,495,553)	(2,887,934)
Net change in fund balances	7,375	93	(722,240)	2,652	1,151	(4,436,645)	(3,669,559)
FUND BALANCES, beginning of year	562,700	9,446	-	96,700	116,991	4,452,507	16,361,825
FUND BALANCES (DEFICIT), end of year	\$ 570,075	\$ 9,539	\$ (722,240)	\$ 99,352	\$ 118,142	\$ 15,862	\$ 12,692,266

ORANGE COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS) FOR THE YEAR ENDED JUNE 30, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Ad valorem taxes:				
Property taxes	\$ 164,013,098	\$ 164,300,316	\$ 164,019,990	\$ (280,326)
Tax penalties and interest	600,000	600,000	580,333	(19,667)
Gross receipts tax	80,000	80,000	88,127	8,127
Total ad valorem taxes	164,693,098	164,980,316	164,688,450	(291,866)
Sales tax:				
Local option sales tax	27,122,861	27,122,861	28,126,263	1,003,402
Intergovernmental revenues:				
Animal tax	185,000	185,000	166,767	(18,233)
Beer and wine tax	275,833	275,833	237,917	(37,916)
Federal and State grants	16,466,582	20,822,069	18,359,942	(2,462,127)
Local grants	1,221,526	1,229,026	1,122,024	(107,002)
ABC Board law enforcement distribution	665,000	660,000	586,220	(73,780)
Total intergovernmental revenues	18,813,941	23,171,928	20,472,870	(2,699,058)
Charges for services:				
Register of Deeds	1,832,000	1,832,000	1,999,024	167,024
Inspection fees	1,552,878	1,552,878	1,827,889	275,011
Health service fees	1,903,400	1,903,400	1,531,691	(371,709)
Aging fees	233,538	238,538	217,392	(21,146)
EMS fees	2,949,500	2,949,500	3,443,880	494,380
Sheriff and court charges	2,400,000	2,430,529	2,026,659	(403,870)
Other charges	1,057,518	853,807	674,103	(179,704)
Total charges for services	11,928,834	11,760,652	11,720,638	(40,014)
Investment earnings	415,000	449,723	709,277	259,554
Licenses, permits and fees:				
Privilege licenses	13,260	13,260	8,725	(4,535)
Franchise fees	300,000	300,000	258,285	(41,715)
Total licenses, permits and fees	313,260	313,260	267,010	(46,250)
Miscellaneous revenues:				
Donations	273,310	519,414	335,935	(183,479)
Rent	329,362	329,362	313,006	(16,356)
Other	1,296,158	1,559,528	1,658,997	99,469
Total miscellaneous revenues	1,898,830	2,408,304	2,307,938	(100,366)
Total revenues	225,185,824	230,207,044	228,292,446	(1,914,598)

continued

ORANGE COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS) FOR THE YEAR ENDED JUNE 30, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures				
Current:				
Community Services:				
Animal services	\$ 2,248,103	\$ 2,369,182	\$ 2,312,730	\$ 56,452
Cooperative extension	400,402	403,652	350,329	53,323
Department of environment, agriculture, parks & recreation	4,043,083	4,213,036	3,772,098	440,938
Economic development	531,085	542,970	440,908	102,062
Orange public transportation	2,517,357	2,411,486	2,254,196	157,290
Planning and inspections	3,215,117	3,225,387	2,980,055	245,332
Municipal recreation	125,108	125,108	125,108	-
Non-departmental	472,382	788,939	520,068	268,871
Total	13,552,637	14,079,760	12,755,492	1,324,268
General Government:				
Board of county commissioners	986,129	1,020,493	877,885	142,608
Board of elections	1,073,821	1,120,187	916,352	203,835
County attorney's office	676,032	751,415	650,867	100,548
County manager's office	2,877,025	2,903,621	2,302,949	600,672
Register of deeds	1,015,308	1,042,724	1,040,579	2,145
Tax administration	3,806,452	3,950,530	3,649,380	301,150
Non-departmental	105,000	106,800	458,711	(351,911)
Total	10,539,767	10,895,770	9,896,723	999,047
Public Safety:				
Courts	68,500	80,980	65,236	15,744
Emergency services	11,365,019	11,579,888	10,529,717	1,050,171
Sheriff	14,076,091	15,098,945	14,316,110	782,835
Criminal justice	700,654	793,484	723,482	70,002
Non-departmental	417,832	468,469	453,644	14,825
Total	26,628,096	28,021,766	26,088,189	1,933,577
Human Services:				
Child support services	1,118,127	1,146,553	1,079,606	66,947
Department of social services	20,319,204	20,870,104	19,020,609	1,849,495
Department of aging	3,167,593	3,504,016	3,082,600	421,416
Health department	10,601,813	10,627,755	9,864,136	763,619
Housing, human rights, and community development	678,026	766,257	557,226	209,031
Library services	2,443,338	2,498,127	2,471,974	26,153
Library municipal	568,839	568,839	568,839	-
OPC area program	1,050,187	1,014,679	816,812	197,867
Non-departmental	1,732,790	1,409,342	1,419,687	(10,345)
Total	41,679,917	42,405,672	38,881,489	3,524,183

continued

ORANGE COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS) FOR THE YEAR ENDED JUNE 30, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures (Continued)				
Education:				
Current expenditures	\$ 88,820,720	\$ 88,820,720	\$ 88,820,720	\$ -
Fair funding	3,889,597	3,889,597	3,517,311	372,286
Durham Tech (Orange campus)	798,256	798,256	798,256	-
Total	93,508,573	93,508,573	93,136,287	372,286
Support Services:				
Asset management services	4,821,645	5,752,627	4,684,847	1,067,780
Community relations	288,826	316,046	286,218	29,828
Finance and administrative services	1,534,718	1,653,432	1,554,236	99,196
Human resources	1,002,957	1,157,388	992,117	165,271
Information technologies	4,076,614	4,336,359	3,872,545	463,814
Non-departmental	740,602	4,103,238	3,788,988	314,250
Total	12,465,362	17,319,090	15,178,951	2,140,139
Debt Service:				
Principal	24,045,822	24,045,822	21,749,149	2,296,673
Interest	6,708,606	6,708,606	8,958,547	(2,249,941)
Cost of issuance	-	-	199,161	(199,161)
Total	30,754,428	30,754,428	30,906,857	(152,429)
Total expenditures	229,128,780	236,985,059	226,843,988	10,141,071
Excess (deficiency) of revenues over expenditures	(3,942,956)	(6,778,015)	1,448,458	8,226,473
Other financing sources (uses)				
Installment notes issued	-	254,953	13,353,923	13,098,970
Premium on installment notes	-	-	1,649,555	1,649,555
Proceeds from sale of capital assets	50,000	50,000	27,004	(22,996)
Transfers in	4,034,600	4,034,600	6,519,002	2,484,402
Transfers out	(7,949,650)	(6,823,891)	(6,610,186)	213,705
Payment to refunded bond escrow agent	-	-	(14,549,364)	(14,549,364)
Total other financing sources (uses)	(3,865,050)	(2,484,338)	389,934	2,874,272
Revenues and other financing sources over (under) expenditures and other financing uses	(7,808,006)	(9,262,353)	1,838,392	11,100,745
Appropriated fund balance	7,808,006	9,262,353	-	(9,262,353)
Net change in fund balances	-	-	1,838,392	1,838,392
Fund balance, beginning of year	66,208,186	66,208,186	66,208,186	-
Fund balance, end of year	\$ 58,400,180	\$ 56,945,833		\$ 1,838,392
Reconciliation to GAAP statements:				
Change in fund balance in Community Loan Fund			(103,227)	
			\$ 67,943,351	

**ORANGE COUNTY, NORTH CAROLINA
LOCAL FIRE DISTRICTS**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 6,262,870	\$ 6,262,870	\$ 6,437,381	\$ 174,511
Investment earnings	9,850	9,850	16,694	6,844
Total revenues	6,272,720	6,272,720	6,454,075	181,355
EXPENDITURES				
Public safety	6,312,720	6,417,720	6,417,720	-
Excess (deficiency) of revenues over expenditures	(40,000)	(145,000)	36,355	181,355
OTHER FINANCING SOURCES				
Appropriated fund balance	40,000	145,000	-	(145,000)
Net change in fund balances	-	-	36,355	36,355
FUND BALANCE, beginning of year	1,551,004	1,551,004	1,551,004	-
FUND BALANCE, end of year	<u>\$ 1,511,004</u>	<u>\$ 1,406,004</u>	<u>\$ 1,587,359</u>	<u>\$ 36,355</u>

ORANGE COUNTY, NORTH CAROLINA
GRANT SUPPORTED

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Restricted intergovernmental	\$ 40,000	\$ 50,000	\$ 44,650	\$ (5,350)
Charges for services	50,000	60,000	41,818	(18,182)
Total revenues	90,000	110,000	86,468	(23,532)
EXPENDITURES				
Human services	141,464	163,155	155,687	7,468
Deficiency of revenues over expenditures	(51,464)	(53,155)	(69,219)	(16,064)
OTHER FINANCING SOURCES				
Appropriated fund balance	4,421	6,112	-	(6,112)
Transfers in	47,043	47,043	47,043	-
Total other financing sources	51,464	53,155	47,043	(6,112)
Net change in fund balances	-	-	(22,176)	(22,176)
FUND BALANCE, beginning of year	102,318	102,318	102,318	-
FUND BALANCE, end of year	<u>\$ 97,897</u>	<u>\$ 96,206</u>	<u>\$ 80,142</u>	<u>\$ (22,176)</u>

**ORANGE COUNTY, NORTH CAROLINA
GRANT PROJECTS**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
PROJECT LIFE AS OF JUNE 30, 2020**

	Project		Actual	
	Authorization	Prior Years	Current Year	Total
REVENUES				
Intergovernmental revenues	\$ 16,418,449	\$ 12,596,608	\$ 627,106	\$ 13,223,714
Total revenues	16,418,449	12,596,608	627,106	13,223,714
EXPENDITURES				
Community services	2,022,796	805,430	-	805,430
Public safety	7,771,498	5,035,319	34,519	5,069,838
Human services	7,883,825	7,185,831	637,921	7,823,752
Total expenditures	17,678,119	13,026,580	672,440	13,699,020
Deficiency of revenues over expenditures	(1,259,670)	(429,972)	(45,334)	(475,306)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,385,165	1,280,447	10,000	1,290,447
Transfers out	(125,495)	(95,568)	-	(95,568)
Total other financing sources	1,259,670	1,184,879	10,000	1,194,879
Net change in fund balance	\$ -	\$ 754,907	(35,334)	\$ 719,573
FUND BALANCE, beginning of year			754,907	
FUND BALANCE, end of year			\$ 719,573	

ORANGE COUNTY, NORTH CAROLINA
SHERIFF FORFEITURES

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental revenues	\$ 266,612	\$ 403,107	\$ 121,257	\$ (281,850)
Investment earnings	-	-	11,982	11,982
Total revenues	266,612	403,107	133,239	(269,868)
EXPENDITURES				
Public safety	1,262,251	1,398,746	90,047	1,308,699
Total expenditures	1,262,251	1,398,746	90,047	1,308,699
Excess (deficiency) of revenues over expenditures	(995,639)	(995,639)	43,192	1,038,831
OTHER FINANCING SOURCES				
Proceeds from sale of assets	13,049	13,049	-	(13,049)
Appropriated fund balance	982,590	982,590	-	(982,590)
Total other financing sources	995,639	995,639	-	(995,639)
Net change in fund balances	-	-	43,192	43,192
FUND BALANCE, beginning of year	1,223,844	1,223,844	1,223,844	-
FUND BALANCE, end of year	<u>\$ 241,254</u>	<u>\$ 241,254</u>	<u>\$ 1,267,036</u>	<u>\$ 43,192</u>

**ORANGE COUNTY, NORTH CAROLINA
COMMUNITY DEVELOPMENT**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
PROJECT LIFE AS OF JUNE 30, 2020**

	Project Authorization	Prior Years	Actual Current Year	Total
REVENUES				
Intergovernmental revenues	\$ 19,575,831	\$ 16,296,185	\$ 965,587	\$ 17,261,772
Charges for services	-	1,329,285	-	1,329,285
Investment earnings	1,000	15,766	4,928	20,694
Miscellaneous	23,855	718,380	-	718,380
Total revenues	<u>19,600,686</u>	<u>18,359,616</u>	<u>970,515</u>	<u>19,330,131</u>
EXPENDITURES				
Human services	<u>27,201,798</u>	<u>22,602,837</u>	<u>1,844,715</u>	<u>24,447,552</u>
Total expenditures	<u>27,201,798</u>	<u>22,602,837</u>	<u>1,844,715</u>	<u>24,447,552</u>
Deficiency of revenues over expenditures	(7,601,112)	(4,243,221)	(874,200)	(5,117,421)
OTHER FINANCING SOURCES (USES)				
Transfers in	9,672,228	6,786,671	1,384,087	8,170,758
Transfers out	<u>(2,071,116)</u>	<u>(787,091)</u>	-	<u>(787,091)</u>
Total other financing sources	<u>7,601,112</u>	<u>5,999,580</u>	<u>1,384,087</u>	<u>7,383,667</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,756,359</u>	509,887	<u>\$ 2,266,246</u>
FUND BALANCE, beginning of year			<u>1,756,359</u>	
FUND BALANCE, end of year			<u>\$ 2,266,246</u>	

ORANGE COUNTY, NORTH CAROLINA
SECTION 8 HOUSING

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental revenues	\$ 4,200,764	\$ 5,018,088	\$ 4,346,901	\$ (671,187)
Investment earnings	500	500	6,170	5,670
Total revenues	4,201,264	5,018,588	4,353,071	(665,517)
EXPENDITURES				
Human services	4,422,324	5,372,300	4,270,572	1,101,728
Total expenditures	4,422,324	5,372,300	4,270,572	1,101,728
Excess (deficiency) of revenues over expenditures	(221,060)	(353,712)	82,499	436,211
OTHER FINANCING SOURCES				
Transfers in	221,060	271,060	50,342	(220,718)
Appropriated fund balance	-	82,652	-	(82,652)
Total other financing sources	221,060	353,712	50,342	(303,370)
Net change in fund balances	-	-	132,841	132,841
FUND BALANCE, beginning of year	363,492	363,492	363,492	-
FUND BALANCE, end of year	<u>\$ 363,492</u>	<u>\$ 280,840</u>	<u>\$ 496,333</u>	<u>\$ 132,841</u>

ORANGE COUNTY, NORTH CAROLINA

ARTICLE 46 SALES TAX

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS) PROJECT LIFE AS OF JUNE 30, 2020

	Project		Actual	
	Authorization	Prior Years	Current Year	Total
REVENUES				
Sales tax	\$ 27,608,847	\$ 23,934,585	\$ 3,674,508	\$ 27,609,093
Investment earnings	-	100,875	40,246	141,121
Miscellaneous	-	321,731	801,180	1,122,911
Total revenues	27,608,847	24,357,191	4,515,934	28,873,125
EXPENDITURES				
Education	15,610,531	10,666,647	1,698,598	12,365,245
Community services	6,303,805	5,438,979	862,138	6,301,117
Debt service:				
Principal	5,694,511	3,288,201	490,395	3,778,596
Interest	-	721,710	275,770	997,480
Total expenditures	27,608,847	20,115,537	3,326,901	23,442,438
Net change in fund balances	\$ -	\$ 4,241,654	1,189,033	\$ 5,430,687
FUND BALANCE, beginning of year			4,241,654	
FUND BALANCE, end of year			\$ 5,430,687	

**ORANGE COUNTY, NORTH CAROLINA
EMERGENCY TELEPHONE SYSTEM**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	\$ 580,225	\$ 580,225	\$ 573,225	\$ (7,000)
Total revenues	580,225	580,225	573,225	(7,000)
EXPENDITURES				
Public safety	768,078	782,023	623,297	158,726
Total expenditures	768,078	782,023	623,297	158,726
Deficiency of revenues over expenditures	(187,853)	(201,798)	(50,072)	151,726
OTHER FINANCING SOURCES				
Appropriated fund balance	187,853	201,798	-	(201,798)
Total other financing sources	187,853	201,798	-	(201,798)
Net change in fund balances	-	-	(50,072)	(50,072)
FUND BALANCE, beginning of year	67,661	67,661	67,661	-
FUND BALANCE, end of year	<u>\$ (120,192)</u>	<u>\$ (134,137)</u>	<u>\$ 17,589</u>	<u>\$ (50,072)</u>

ORANGE COUNTY, NORTH CAROLINA
VISITORS BUREAU

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Occupancy taxes	\$ 1,423,571	\$ 1,423,571	\$ 1,247,530	\$ (176,041)
Intergovernmental revenues	237,203	433,006	418,087	(14,919)
Miscellaneous	-	1,800	1,800	-
Investment earnings	4,000	4,000	6,691	2,691
Total revenues	1,664,774	1,862,377	1,674,108	(188,269)
EXPENDITURES				
General government	211,168	230,069	223,016	7,053
Community services	1,713,212	2,157,712	1,684,914	472,798
Total expenditures	1,924,380	2,387,781	1,907,930	479,851
Deficiency of revenues over expenditures	(259,606)	(525,404)	(233,822)	291,582
OTHER FINANCING SOURCES				
Installment notes issued	-	79,324	-	(79,324)
Appropriated fund balance	259,606	446,080	-	(446,080)
Total other financing sources	259,606	525,404	-	(525,404)
Net change in fund balances	-	-	(233,822)	(233,822)
FUND BALANCE, beginning of year	755,377	755,377	755,377	-
FUND BALANCE, end of year	\$ 495,771	\$ 309,297	\$ 521,555	\$ (233,822)

ORANGE COUNTY, NORTH CAROLINA
SPAY/NEUTER

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Other tax	\$ 27,000	\$ 27,000	\$ 25,260	\$ (1,740)
Investment earnings	350	350	461	111
Miscellaneous	25,086	50,101	36,716	(13,385)
Total revenues	52,436	77,451	62,437	(15,014)
EXPENDITURES				
Community services	59,126	84,251	55,561	28,690
Total expenditures	59,126	84,251	55,561	28,690
Excess (deficiency) of revenues over expenditures	(6,690)	(6,800)	6,876	13,676
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	19,290	19,400	-	(19,400)
Transfers out	(12,600)	(12,600)	(12,600)	-
Total other financing sources (uses)	6,690	6,800	(12,600)	(19,400)
Net change in fund balances	-	-	(5,724)	(5,724)
FUND BALANCE, beginning of year	50,448	50,448	50,448	-
FUND BALANCE, end of year	<u>\$ 31,158</u>	<u>\$ 31,048</u>	<u>\$ 44,724</u>	<u>\$ (5,724)</u>

ORANGE COUNTY, NORTH CAROLINA
DSS CLIENT SERVICES

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
PROJECT LIFE AS OF JUNE 30, 2020**

	Project		Actual	
	Authorization	Prior Years	Current Year	Total
REVENUES				
Charges for services	\$ -	\$ 23,344	\$ -	\$ 23,344
Intergovernmental	142,145	260,645	4,642	265,287
Investment earnings	-	20,783	1,429	22,212
Miscellaneous	451,267	446,131	54,860	500,991
Total revenues	593,412	750,903	60,931	811,834
EXPENDITURES				
Human services	753,543	683,946	35,056	719,002
Excess (deficiency) of revenues over expenditures	(160,131)	66,957	25,875	92,832
OTHER FINANCING SOURCES				
Transfers in	160,131	76,945	-	76,945
Total other financing sources	160,131	76,945	-	76,945
Net change in fund balance	\$ -	\$ 143,902	25,875	\$ 169,777
FUND BALANCE, beginning of year			143,902	
FUND BALANCE, end of year			\$ 169,777	

ORANGE COUNTY, NORTH CAROLINA
IMPACT FEES

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Licenses and permits	\$ 112,000	\$ 112,000	\$ -	\$ (112,000)
Total revenues	112,000	112,000	-	(112,000)
OTHER FINANCING USES				
Transfers out	(112,000)	(112,000)	(112,000)	-
Total other financing uses	(112,000)	(112,000)	(112,000)	-
Net change in fund balances	-	-	(112,000)	(112,000)
FUND BALANCE, beginning of year	112,515	112,515	112,515	-
FUND BALANCE, end of year	<u>\$ 112,515</u>	<u>\$ 112,515</u>	<u>\$ 515</u>	<u>\$ (112,000)</u>

**ORANGE COUNTY, NORTH CAROLINA
COUNTY CAPITAL IMPROVEMENTS**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
PROJECT LIFE AS OF JUNE 30, 2020**

	Project	Actual		
	Authorization	Prior Years	Current Year	Total
REVENUES				
Federal grants	\$ 13,471,737	\$ 11,183,566	\$ 893,961	\$ 12,077,527
State grants	11,274,551	6,117,501	236,988	6,354,489
Investment earnings	2,166,400	4,241,765	462,565	4,704,330
Miscellaneous	2,714,319	4,222,528	125,087	4,347,615
Total revenues	<u>29,627,007</u>	<u>25,765,360</u>	<u>1,718,601</u>	<u>27,483,961</u>
EXPENDITURES				
Capital outlay	243,640,066	154,490,038	24,745,320	179,235,358
Debt service:				
Issuance fees	-	2,644,812	590,947	3,235,759
Total expenditures	<u>243,640,066</u>	<u>157,134,850</u>	<u>25,336,267</u>	<u>182,471,117</u>
Deficiency of revenues over expenditures	(214,013,059)	(131,369,490)	(23,617,666)	(154,987,156)
OTHER FINANCING SOURCES (USES)				
Proceeds from bond issuance	36,103,579	142,001,201	48,336,295	190,337,496
Premiums on financing arrangements	200,000	24,566,744	2,760,189	27,326,933
Installment loan issuance	158,784,148	106,065,800	-	106,065,800
Capital lease issuance	-	2,540,999	-	2,540,999
Payment to escrow agent	(949,587)	(144,673,482)	-	(144,673,482)
Transfers in	21,494,819	24,680,835	619,272	25,300,107
Transfers out	(1,920,000)	(4,229,862)	(2,475,000)	(6,704,862)
Appropriated fund balance	300,100	-	-	-
Total other financing sources	<u>214,013,059</u>	<u>150,952,235</u>	<u>49,240,756</u>	<u>200,192,991</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 19,582,745</u>	25,623,090	<u>\$ 45,205,835</u>
FUND BALANCE, beginning of year			<u>19,582,745</u>	
FUND BALANCE, end of year			<u>\$ 45,205,835</u>	

**ORANGE COUNTY, NORTH CAROLINA
SCHOOL CAPITAL IMPROVEMENTS**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
PROJECT LIFE AS OF JUNE 30, 2020**

	Project	Actual		
	Authorization	Prior Years	Current Year	Total
REVENUES				
Investment earnings	\$ 60,000	\$ 2,622,057	\$ 774,743	\$ 3,396,800
Sales taxes	180,000	493,539	-	493,539
Lottery proceeds	1,932,892	2,959,057	-	2,959,057
Miscellaneous	-	33,759	-	33,759
Total revenues	<u>2,172,892</u>	<u>6,108,412</u>	<u>774,743</u>	<u>6,883,155</u>
EXPENDITURES				
Orange County Schools	69,756,657	34,984,959	4,881,440	39,866,399
Chapel Hill-Carrboro City Schools	156,481,535	93,874,294	51,287,142	145,161,436
Other	60,000	43,215	-	43,215
Total expenditures	<u>226,298,192</u>	<u>128,902,468</u>	<u>56,168,582</u>	<u>185,071,050</u>
Deficiency of revenues over expenditures	(224,125,300)	(122,794,056)	(55,393,839)	(178,187,895)
OTHER FINANCING SOURCES (USES)				
Issuance of general obligation bonds	125,498,874	105,470,873	20,060,000	125,530,873
Issuance of installment notes payable	36,120,235	48,573,698	6,761,000	55,334,698
Premiums on financing arrangements	1,531,923	2,122,685	2,863,303	4,985,988
Transfers in	60,974,268	33,740,919	8,742,553	42,483,472
Transfers out	-	(3,822,685)	(3,000,000)	(6,822,685)
Total other financing sources	<u>224,125,300</u>	<u>186,085,490</u>	<u>35,426,856</u>	<u>221,512,346</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 63,291,434</u>	(19,966,983)	<u>\$ 43,324,451</u>
FUND BALANCE, beginning of year			<u>63,291,434</u>	
FUND BALANCE, end of year			<u>\$ 43,324,451</u>	

**ORANGE COUNTY, NORTH CAROLINA
SOLID WASTE**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Landfill fees	\$ 2,318,390	\$ 2,318,390	\$ 2,703,655	\$ 385,265
Sanitation fees	2,625,228	2,625,228	2,655,781	30,553
Recycling	5,242,718	5,242,718	5,395,602	152,884
State grants	-	-	3,681	3,681
Other operating	130,000	130,000	187,989	57,989
Investment earnings	140,000	140,000	153,738	13,738
Total revenues	10,456,336	10,456,336	11,100,446	644,110
EXPENDITURES				
Administration	1,893,043	1,900,006	1,732,613	167,393
Landfill	1,914,378	2,346,677	1,573,301	773,376
Recycling	3,943,503	4,136,922	3,098,124	1,038,798
Sanitation	2,613,451	2,672,790	2,308,410	364,380
Mulch sales	2,270,102	3,640,638	1,230,003	2,410,635
Debt service	762,539	762,539	678,970	83,569
Total expenditures	13,397,016	15,459,572	10,621,421	4,838,151
Excess (deficiency) of revenues over expenditures	(2,940,680)	(5,003,236)	479,025	5,482,261
OTHER FINANCING SOURCES (USES)				
Issuance of installment notes	770,167	1,912,979	1,334,030	(578,949)
Premium on issuance	-	-	51,952	51,952
Escrow payment to refunding agent	-	-	(364,395)	(364,395)
Transfers in	-	-	11,695	11,695
Transfers out	(1,520,008)	-	-	-
Proceeds from sale of capital assets	88,000	88,000	9,221	(78,779)
Appropriated fund balance	3,602,521	3,002,257	-	(3,002,257)
Total other financing sources	2,940,680	5,003,236	1,042,503	(3,960,733)
Net change in net position	\$ -	\$ -	1,521,528	\$ 1,521,528
Adjustments to full accrual:				
Capital outlays			488,914	
Payments of debt service - principal			569,073	
Payments to refunding agent			364,395	
Increase in estimated postclosure costs			(148,831)	
Issuance of installment notes			(1,334,030)	
Issuance of premium on notes			(51,952)	
Increase in compensated absences			(38,086)	
Increase in net pension liability			(319,150)	
Change in accrued interest			(9,684)	
Depreciation expense			(741,089)	
Change in net position - GAAP Basis			\$ 301,088	

**ORANGE COUNTY, NORTH CAROLINA
EFLAND SEWER OPERATING**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	\$ 13,305	\$ 13,305	\$ 1,383	\$ (11,922)
Investment earnings	-	-	1,601	1,601
Total revenues	13,305	13,305	2,984	(10,321)
EXPENDITURES				
Operations	438,149	438,149	431	437,718
Capital outlays	24,921	24,921	-	24,921
Debt service	189,831	189,831	-	189,831
Total expenditures	652,901	652,901	431	652,470
Excess (deficiency) of revenues over expenditures	(639,596)	(639,596)	2,553	642,149
OTHER FINANCING SOURCES				
Appropriated fund balance	637,767	637,767	-	(637,767)
Transfers in	1,829	1,829	-	(1,829)
Total other financing sources	639,596	639,596	-	(639,596)
Net change in net position	\$ -	\$ -	2,553	\$ 2,553
Adjustments to full accrual:				
Deprecation expense			(87,133)	
Change in net position - GAAP Basis			\$ (84,580)	

**ORANGE COUNTY, NORTH CAROLINA
SPORTSPLEX**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	\$ 4,025,654	\$ 4,025,654	\$ 3,133,529	\$ (892,125)
Total revenues	4,025,654	4,025,654	3,133,529	(892,125)
EXPENDITURES				
Operations	3,300,654	3,324,310	2,590,941	733,369
Capital outlay	593,254	1,420,425	245,623	1,174,802
Debt service	667,440	667,440	585,750	81,690
Total expenditures	4,561,348	5,412,175	3,422,314	1,989,861
Deficiency of revenues over expenditures	(535,694)	(1,386,521)	(288,785)	1,097,736
OTHER FINANCING SOURCES (USES)				
Issuance of installment notes	372,000	372,000	585,000	213,000
Premium on issuance	-	-	78,930	78,930
Transfers in	-	667,440	-	(667,440)
Transfers out	(725,000)	(725,000)	(9,402)	715,598
Appropriated fund balance	888,694	1,072,081	-	(1,072,081)
Total other financing sources	535,694	1,386,521	654,528	(731,993)
Net change in net position	<u>\$ -</u>	<u>\$ -</u>	365,743	<u>\$ 365,743</u>
Adjustments to full accrual:				
Capital outlays			245,623	
Issuance of installment notes			(585,000)	
Premium on notes			(78,930)	
Payments of debt service - principal			432,713	
Change in accrued interest			1,896	
Deprecation expense			(363,197)	
Change in net position - GAAP Basis			<u>\$ 18,848</u>	

**ORANGE COUNTY, NORTH CAROLINA
DENTAL AND HEALTH INSURANCE**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	\$ 13,517,850	\$ 13,517,850	\$ 12,124,861	\$ (1,392,989)
Investment earnings	-	-	27,368	27,368
Total revenues	13,517,850	13,517,850	12,152,229	(1,365,621)
EXPENDITURES				
Operations	13,517,850	13,517,850	12,360,439	1,157,411
Total expenditures	13,517,850	13,517,850	12,360,439	1,157,411
Deficiency of revenues over expenditures	-	-	(208,210)	(208,210)
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	910,000	910,000	-	(910,000)
Transfers out	(910,000)	(910,000)	(910,000)	-
Total other financing sources (uses)	-	-	(910,000)	(910,000)
Net change in net position	\$ -	\$ -	(1,118,210)	\$ (1,118,210)
Adjustments to full accrual:				
Decrease in claims payable			124,492	
Change in net position - GAAP Basis			\$ (993,718)	

ORANGE COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF ASSETS AND LIABILITIES AGENCY FUNDS JUNE 30, 2020

	School		Cooperative	American	Communication
<u>ASSETS</u>	District	Jail Inmate	Extension 4-H	Stone No Fault Well Repair	Tower Trust
Cash	\$ 224,141	\$ 10,359	\$ 77,467	\$ 132,175	\$ -
Taxes receivable	394,764	-	-	-	-
Total assets	<u>\$ 618,905</u>	<u>\$ 10,359</u>	<u>\$ 77,467</u>	<u>\$ 132,175</u>	<u>\$ -</u>
 <u>LIABILITIES</u>					
Due to others	\$ 224,141	\$ 10,359	\$ 77,467	\$ 132,175	\$ -
Uncollected taxes	394,764	-	-	-	-
Total liabilities	<u>\$ 618,905</u>	<u>\$ 10,359</u>	<u>\$ 77,467</u>	<u>\$ 132,175</u>	<u>\$ -</u>

DSS Trust	Mental Health Insurance	Orange County Giving	Crop Loan	Total
\$ 92,767	\$ 421,276	\$ 276,514	\$ 27,435	\$ 1,262,134
-	-	-	-	394,764
<u>\$ 92,767</u>	<u>\$ 421,276</u>	<u>\$ 276,514</u>	<u>\$ 27,435</u>	<u>\$ 1,656,898</u>
\$ 92,767	\$ 421,276	\$ 276,514	\$ 27,435	\$ 1,262,134
-	-	-	-	394,764
<u>\$ 92,767</u>	<u>\$ 421,276</u>	<u>\$ 276,514</u>	<u>\$ 27,435</u>	<u>\$ 1,656,898</u>

ORANGE COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
<u>School District Fund</u>				
ASSETS				
Cash	\$ 175,935	\$ 24,292,399	\$ (24,244,193)	\$ 224,141
Taxes receivable	352,327	24,241,975	(24,199,538)	394,764
Total assets	<u>\$ 528,262</u>	<u>\$ 48,534,374</u>	<u>\$ (48,443,731)</u>	<u>\$ 618,905</u>
LIABILITIES				
Due to others	\$ 175,935	\$ 24,292,399	\$ (24,244,193)	\$ 224,141
Uncollected taxes	352,327	24,241,975	(24,199,538)	394,764
Total liabilities	<u>\$ 528,262</u>	<u>\$ 48,534,374</u>	<u>\$ (48,443,731)</u>	<u>\$ 618,905</u>
<u>Jail Inmate Fund</u>				
ASSETS				
Cash	\$ 4,219	\$ 356,369	\$ (350,229)	\$ 10,359
Total assets	<u>\$ 4,219</u>	<u>\$ 356,369</u>	<u>\$ (350,229)</u>	<u>\$ 10,359</u>
LIABILITIES				
Due to others	\$ 4,219	\$ 356,369	\$ (350,229)	\$ 10,359
Total liabilities	<u>\$ 4,219</u>	<u>\$ 356,369</u>	<u>\$ (350,229)</u>	<u>\$ 10,359</u>
<u>Cooperative Extension 4-H Fund</u>				
ASSETS				
Cash	\$ 97,983	\$ 16,051	\$ (36,567)	\$ 77,467
Total assets	<u>\$ 97,983</u>	<u>\$ 16,051</u>	<u>\$ (36,567)</u>	<u>\$ 77,467</u>
LIABILITIES				
Due to others	\$ 97,983	\$ 16,051	\$ (36,567)	\$ 77,467
Total liabilities	<u>\$ 97,983</u>	<u>\$ 16,051</u>	<u>\$ (36,567)</u>	<u>\$ 77,467</u>
(Continued)				

ORANGE COUNTY, NORTH CAROLINA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
<u>American Stone No Fault Well Repair</u>				
ASSETS				
Cash	\$ 135,337	\$ 16,206	\$ (19,368)	\$ 132,175
Total assets	<u>\$ 135,337</u>	<u>\$ 16,206</u>	<u>\$ (19,368)</u>	<u>\$ 132,175</u>
LIABILITIES				
Due to others	\$ 135,337	\$ 16,206	\$ (19,368)	\$ 132,175
Total liabilities	<u>\$ 135,337</u>	<u>\$ 16,206</u>	<u>\$ (19,368)</u>	<u>\$ 132,175</u>
<u>Communication Tower Trust Fund</u>				
ASSETS				
Cash	\$ 16,223	\$ -	\$ (16,223)	\$ -
Total assets	<u>\$ 16,223</u>	<u>\$ -</u>	<u>\$ (16,223)</u>	<u>\$ -</u>
LIABILITIES				
Due to others	\$ 16,223	\$ -	\$ (16,223)	\$ -
Total liabilities	<u>\$ 16,223</u>	<u>\$ -</u>	<u>\$ (16,223)</u>	<u>\$ -</u>
<u>DSS Trust Fund</u>				
ASSETS				
Cash	\$ 81,924	\$ 693,454	\$ (682,611)	\$ 92,767
Total assets	<u>\$ 81,924</u>	<u>\$ 693,454</u>	<u>\$ (682,611)</u>	<u>\$ 92,767</u>
LIABILITIES				
Due to others	\$ 81,924	\$ 693,454	\$ (682,611)	\$ 92,767
Total liabilities	<u>\$ 81,924</u>	<u>\$ 693,454</u>	<u>\$ (682,611)</u>	<u>\$ 92,767</u>
(Continued)				

ORANGE COUNTY, NORTH CAROLINA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
<u>Mental Health Insurance Fund</u>				
ASSETS				
Cash	\$ 421,572	\$ 4,129	\$ (4,425)	\$ 421,276
Total assets	<u>\$ 421,572</u>	<u>\$ 4,129</u>	<u>\$ (4,425)</u>	<u>\$ 421,276</u>
LIABILITIES				
Due to others	\$ 421,572	\$ 4,129	\$ (4,425)	\$ 421,276
Total liabilities	<u>\$ 421,572</u>	<u>\$ 4,129</u>	<u>\$ (4,425)</u>	<u>\$ 421,276</u>
<u>Orange County Community Giving Fund</u>				
ASSETS				
Cash	\$ 229,308	\$ 47,832	\$ (626)	\$ 276,514
Total assets	<u>\$ 229,308</u>	<u>\$ 47,832</u>	<u>\$ (626)</u>	<u>\$ 276,514</u>
LIABILITIES				
Due to others	\$ 229,308	\$ 47,832	\$ (626)	\$ 276,514
Total liabilities	<u>\$ 229,308</u>	<u>\$ 47,832</u>	<u>\$ (626)</u>	<u>\$ 276,514</u>
<u>Crop Loan Fund</u>				
ASSETS				
Cash	\$ 5,502	\$ 21,933	\$ -	\$ 27,435
Total assets	<u>\$ 5,502</u>	<u>\$ 21,933</u>	<u>\$ -</u>	<u>\$ 27,435</u>
LIABILITIES				
Due to others	\$ 5,502	\$ 21,933	\$ -	\$ 27,435
Total liabilities	<u>\$ 5,502</u>	<u>\$ 21,933</u>	<u>\$ -</u>	<u>\$ 27,435</u>
<u>Total Agency Funds</u>				
ASSETS				
Cash and cash equivalents	\$ 1,168,003	\$ 25,448,373	\$ (25,354,242)	\$ 1,262,134
Taxes receivable	352,327	24,241,975	(24,199,538)	394,764
Total assets	<u>\$ 1,520,330</u>	<u>\$ 49,690,348</u>	<u>\$ (49,553,780)</u>	<u>\$ 1,656,898</u>
LIABILITIES				
Due to others	\$ 1,168,003	\$ 25,448,373	\$ (25,354,242)	\$ 1,262,134
Uncollected taxes	352,327	24,241,975	(24,199,538)	394,764
Total liabilities	<u>\$ 1,520,330</u>	<u>\$ 49,690,348</u>	<u>\$ (49,553,780)</u>	<u>\$ 1,656,898</u>

ORANGE COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE JUNE 30, 2020

Fiscal Year	Uncollected Balance June 30, 2019	Additions	Collections and Credits	Uncollected Balance June 30, 2020
2019-2020	\$ -	\$ 164,884,700	\$ 163,309,265	\$ 1,575,435
2018-2019	1,358,067	-	727,404	630,663
2017-2018	550,366	-	182,359	368,007
2016-2017	350,423	-	84,049	266,374
2015-2016	336,603	-	173,192	163,411
2014-2015	141,336	-	18,061	123,275
2013-2014	161,385	-	500	160,885
All-prior	1,298,129	-	32,883	1,265,246
	<u>\$ 4,196,309</u>	<u>\$ 164,884,700</u>	<u>\$ 164,527,713</u>	<u>4,553,296</u>
Less: allowance for uncollectible accounts - General Fund				<u>(1,993,274)</u>
Ad valorem taxes receivable - net				<u>\$ 2,560,022</u>
<u>Reconciliation to revenues:</u>				
Ad valorem taxes - General Fund				\$ 164,019,990
Reconciling items:				
Less 60 day collections				(267,118)
Interest and penalties				580,333
Miscellaneous adjustments				194,508
Total collections and credits				<u>\$ 164,527,713</u>

ORANGE COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY COUNTY-WIDE LEVY JUNE 30, 2020

				Total Levy	
	County-wide			Property excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Total Levy		
Original levy:					
Property taxed at current rate	\$ 18,998,121,954	0.087	\$ 164,809,694	\$ 153,946,803	\$ 10,862,891
Penalties	-		64,282	64,282	-
Lien advertisement	-		10,724	10,724	-
Total	<u>18,998,121,954</u>		<u>164,884,700</u>	<u>154,021,809</u>	<u>10,862,891</u>
Adjustments	(41,630,372)	0.087	(361,310)	(361,310)	-
Total property valuation	<u>\$ 18,956,491,582</u>				
Net levy			164,523,390	153,660,499	10,862,891
Uncollected taxes at June 30, 2020			<u>(1,575,435)</u>	<u>(1,575,435)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 162,947,955</u>	<u>\$ 152,085,064</u>	<u>\$ 10,862,891</u>
Current levy collection percentage			<u>99.04%</u>	<u>98.97%</u>	<u>100.00%</u>

STATISTICAL SECTION

This part of Orange County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Page

Financial Trends 127

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity..... 135

These schedules contain information to help the reader assess the County's most significant local revenue source, property tax.

Debt Capacity..... 142

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information..... 148

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information 150

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

ORANGE COUNTY, NORTH CAROLINA

Net Position By Component Last Ten Fiscal Years (Accrual Basis of Accounting)

	For Year Ended June 30			
	2020	2019	2018	2017
Governmental activities				
Net investment in capital assets	\$ 32,355,004	\$ 29,752,938	\$ 30,229,146	\$ 29,924,257
Restricted for:				
Stabilization by State statute	17,838,399	16,392,707	14,222,179	12,264,244
Restricted, all other	47,732,061	67,909,157	37,517,431	17,264,973
Unrestricted	(250,390,895)	(212,549,798)	(155,693,774)	(133,115,016)
Total governmental activities net position	<u>\$ (152,465,431)</u>	<u>\$ (98,494,996)</u>	<u>\$ (73,725,018)</u>	<u>\$ (73,661,542)</u>
Business-type activities				
Net investment in capital assets	\$ 7,887,394	\$ 9,391,992	\$ 10,361,313	\$ 6,883,243
Unrestricted	8,747,010	7,007,056	6,165,732	5,058,871
Total business-type activities net position	<u>\$ 16,634,404</u>	<u>\$ 16,399,048</u>	<u>\$ 16,527,045</u>	<u>\$ 11,942,114</u>
Primary government				
Net investment in capital assets	\$ 40,242,398	\$ 39,144,930	\$ 40,590,459	\$ 36,807,500
Restricted for:				
Stabilization by State statute	17,838,399	16,392,707	14,222,179	12,264,244
Restricted, all other	47,732,061	67,909,157	37,517,431	17,264,973
Unrestricted	(241,643,885)	(205,542,742)	(149,528,042)	(128,056,145)
Total primary government net position	<u>\$ (135,831,027)</u>	<u>\$ (82,095,948)</u>	<u>\$ (57,197,973)</u>	<u>\$ (61,719,428)</u>

2017 Fiscal Year numbers were restated to reflect the implementation of GASB Statement No. 75.

Note: In accordance with North Carolina law, liabilities of the County include approximately \$179 million in long-term debt associated with assets belonging to the Orange County Board of Education and the Chapel Hill-Carrboro Board of Education.

As these assets are not reflected on the County's financial statements, while the full amount of long-term debt reflected on the County's financial statements, the County reports a deficit in net position.

Table 1

For Year Ended June 30					
2016	2015	2014	2013	2012	2011
\$ 23,190,053	\$ 42,946,587	\$ 21,308,363	\$ 19,154,413	\$ 35,398,235	\$ 33,142,313
13,686,337	12,845,946	15,617,944	14,036,419	11,153,113	8,727,555
23,225,509	4,493,650	4,287,300	12,551,518	27,503,219	1,250,092
(79,853,142)	(94,888,828)	(91,105,688)	(101,233,902)	(131,483,110)	(110,118,490)
\$ (19,751,243)	\$ (34,602,645)	\$ (49,892,081)	\$ (55,491,552)	\$ (57,428,543)	\$ (66,998,530)
\$ 7,462,618	\$ 7,327,120	\$ 8,478,262	\$ 7,038,493	\$ 4,404,980	\$ 6,877,907
3,322,472	2,539,292	2,563,784	3,862,994	2,753,605	(4,193)
\$ 10,785,090	\$ 9,866,412	\$ 11,042,046	\$ 10,901,487	\$ 7,158,585	\$ 6,873,714
\$ 30,652,671	\$ 50,273,707	\$ 29,786,625	\$ 26,192,906	\$ 39,803,215	\$ 40,020,220
13,686,337	12,845,946	15,617,944	14,036,419	11,153,113	8,727,555
23,225,509	4,493,650	4,287,300	12,551,518	27,503,219	1,250,092
(76,530,670)	(92,349,536)	(88,541,904)	(97,370,608)	(128,729,502)	(110,122,683)
\$ (8,966,153)	\$ (24,736,233)	\$ (38,850,035)	\$ (44,589,765)	\$ (50,269,955)	\$ (60,124,816)

ORANGE COUNTY, NORTH CAROLINA

Changes in Net Position Last Ten Fiscal Years (Accrual Basis of Accounting)

	For Year Ended June 30			
	2020	2019	2018	2017
Expenses:				
Governmental activities:				
Community services	\$ 16,617,090	\$ 15,902,720	\$ 15,223,280	\$ 14,528,306
General government	20,030,815	15,382,288	16,685,804	17,268,682
Support services	19,391,577	19,455,503	12,733,446	14,579,007
Governing and management	-	-	-	-
General services	-	-	-	-
Community and environment	-	-	-	-
Human services	48,406,126	44,580,536	43,371,252	45,058,561
Education	156,765,760	132,364,089	106,689,649	97,196,824
Public safety	36,883,247	33,718,408	32,247,386	29,634,987
Cultural and recreational	-	-	-	-
Interest on long-term debt	7,641,254	6,954,179	5,707,204	3,311,756
Total governmental activities expenses	305,735,869	268,357,723	232,658,021	221,578,123
Business-type activities:				
Solid waste landfill	10,820,274	10,783,737	9,566,421	10,197,990
Sewer	87,564	327,665	443,049	399,818
SportsPlex	3,105,279	3,739,404	3,608,084	3,354,734
Total business-type activities expenses	14,013,117	14,850,806	13,617,554	13,952,542
Total primary government expenses	319,748,986	283,208,529	246,275,575	235,530,665
Revenues:				
Governmental activities:				
Program revenues:				
Charges for services	15,099,534	15,827,035	15,719,203	16,424,044
Operating grants and contributions	28,714,814	24,223,044	24,212,789	26,044,125
Capital grants and contributions	1,256,036	1,157,514	1,620,344	1,000,233
General revenues:				
Property taxes	171,493,308	165,411,715	160,185,898	155,565,259
Other taxes	33,073,561	33,541,804	31,012,534	29,522,796
Other	2,130,474	3,553,143	1,583,643	618,793
Total governmental activities program revenues	251,767,727	243,714,255	234,334,411	229,175,250
Business-type activities:				
Charges for services	14,077,939	14,259,849	13,482,011	11,861,307
Operating grants and contributions	3,681	30,570	200,448	-
Other	164,560	305,882	138,915	261,713
Total business-type activities program revenues	14,246,180	14,596,301	13,821,374	12,123,020
Total primary government program revenues	266,013,907	258,310,556	248,155,785	241,298,270
Transfers				
Governmental activities	(2,293)	(126,510)	(1,739,866)	(1,568,349)
Business-type activities	2,293	126,510	1,739,866	1,568,349
Increase (decrease) in net position				
Governmental activities	(53,970,435)	(24,769,978)	(63,476)	6,028,778
Business-type activities	235,356	(127,995)	1,943,686	(261,173)
Change in net position				
Net position, July 1, previously reported	(82,095,948)	(57,197,975)	(4,372,786)	(8,966,153)
Prior period adjustment	-	-	(54,705,399)	(1,174,238)
Net position, July 1, restated	(82,095,948)	(57,197,975)	(59,078,185)	(10,140,391)
Total net position, June 30	\$ (135,831,027)	\$ (82,095,948)	\$ (57,197,975)	\$ (4,372,786)

Note: Orange County changed to Functional Leadership Teams in FY 2015-16 (Community Services, General Government, and Support Services replaced Governing and management, General Services, Community and environment, and Cultural and recreational); the 2016 numbers are reflective of this organizational change.

Table 2

	2016	2015	2014	2013	2012	2011
\$	11,798,260	\$ -	\$ -	\$ -	\$ -	-
	22,439,461	-	-	-	-	-
	11,344,246	-	-	-	-	-
	-	19,289,101	26,361,842	22,025,337	23,497,848	23,192,706
	-	9,178,467	7,867,632	6,980,383	7,222,770	7,155,635
	-	13,773,024	11,552,941	9,821,519	9,786,774	10,288,447
	46,087,661	38,142,905	36,755,137	35,126,478	33,431,309	33,536,733
	85,679,979	84,862,221	81,732,135	91,151,052	76,639,902	74,053,776
	28,476,942	27,613,011	25,479,585	24,569,638	23,717,846	22,352,109
	-	2,486,556	2,354,533	2,162,503	2,168,615	1,802,668
	3,933,332	4,782,894	5,567,955	7,685,735	14,479,651	8,948,063
	209,759,881	200,128,179	197,671,760	199,522,645	190,944,715	181,330,137
	10,280,177	11,037,061	11,463,642	6,892,530	10,552,420	10,436,377
	430,846	243,993	284,773	333,568	316,684	401,689
	3,420,624	3,215,365	3,135,791	3,020,626	2,909,120	2,977,153
	14,131,647	14,496,419	14,884,206	10,246,724	13,778,224	13,815,219
	223,891,528	214,624,598	212,555,966	209,769,369	204,722,939	195,145,356
	15,778,566	15,698,925	14,100,487	13,235,408	12,766,266	12,532,375
	26,418,629	26,224,918	26,259,362	24,611,570	23,403,397	24,934,383
	1,059,278	1,112,971	1,656,217	2,489,408	6,075,501	5,578,325
	153,059,233	149,605,562	148,940,579	142,951,109	141,596,821	140,247,782
	27,712,231	26,378,822	22,924,419	21,248,342	18,271,966	15,115,418
	267,113	25,268	29,414	107,517	756,382	102,822
	224,295,050	219,046,466	213,910,478	204,643,354	202,870,333	198,511,105
	11,719,530	8,496,708	8,708,132	11,201,138	11,278,046	10,980,033
	-	1,192,897	274,429	466,966	419,354	414,853
	162,555	2,328	2,969	9,624	10,067	15,753
	11,882,085	9,691,933	8,985,530	11,677,728	11,707,467	11,410,639
	236,177,135	228,738,399	222,896,008	216,321,082	214,577,800	209,921,744
	(1,834,548)	(2,376,743)	(2,730,996)	(2,311,895)	(2,355,631)	(2,073,130)
	1,834,548	2,376,743	2,730,996	2,311,895	2,355,631	2,073,130
	12,700,621	16,541,544	13,507,722	2,808,814	9,569,987	15,107,838
	(415,014)	(2,427,743)	(3,167,680)	3,742,899	284,874	(331,450)
	(24,736,234)	(34,249,723)	(44,589,765)	(50,269,955)	(60,124,816)	(74,901,204)
	3,484,474	(4,600,312)	-	(871,523)	-	-
	(21,251,760)	(38,850,035)	(44,589,765)	(51,141,478)	(60,124,816)	(74,901,204)
\$	(8,966,153)	\$ (24,736,234)	\$ (34,249,723)	\$ (44,589,765)	\$ (50,269,955)	\$ (60,124,816)

ORANGE COUNTY, NORTH CAROLINA

Fund Balances of Governmental Funds Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	For Year Ended June 30			
	2020	2019	2018	2017
General Fund				
Non-spendable:				
Prepaid items	\$ 300,192	\$ 3,001	\$ 3,001	\$ 3,001
Inventories	9,645	12,428	16,973	7,329
Advances	136,000	136,000	136,000	136,000
Restricted for:				
Stabilization for State statute	16,205,850	15,007,391	12,576,115	10,739,850
Committed:				
Health Benefits	7,543,841	7,543,841	7,543,841	7,543,841
General services	-	-	-	-
Assigned:				
Subsequent year expenditures	8,268,603	7,808,006	8,820,099	9,769,060
Restricted	-	-	-	-
Unassigned	35,479,220	35,697,519	34,439,230	34,527,885
Total General Fund	67,943,351	66,208,186	63,535,259	62,726,966
All Other Governmental Funds				
Restricted for:				
Stabilization for State Statute	1,632,549	1,385,316	1,646,064	1,524,394
Restricted, all other				
Education	43,324,451	63,291,434	26,763,497	4,330,808
Human services	165,940	252,328	2,668,966	2,748,663
Governing and management	-	-	-	-
Public safety	2,871,984	2,774,848	2,755,925	2,017,706
Community services	1,148,324	1,279,385	3,716,198	3,419,193
Community and environment	-	-	-	-
Capital projects	45,206,350	19,695,260	25,144,847	28,485,737
Committed				
Human services	169,777	143,902	125,878	81,079
Education	1,140,095	1,140,095	-	-
Community services	2,710,240	1,928,742	-	-
Governing and management	-	-	-	-
Assigned:				
Human services	3,396,354	2,724,748	166,439	141,597
Community services	44,724	50,448	64,006	62,771
Community and environment	-	-	-	-
General services	-	-	-	-
Education	-	-	-	-
Capital projects	134,004	4,569,498	148,396	146,913
Unassigned	(722,240)	-	-	-
Total All Other Government Funds	101,222,552	99,236,004	63,200,216	42,958,861
Total Government Funds	\$ 169,165,903	\$ 165,444,190	\$ 126,735,475	\$ 105,685,827

Note: Orange County changed to Functional Leadership Teams in FY 2015-16 (Community Services, General Government, and Support Services replaced Governing and management, General Services, Community and environment, and Cultural and recreational); the 2016 numbers are reflective of this organizational change.

Table 3

2016	2015	2014	2013	2012	2011
\$ 3,001 13,668 -	\$ - 20,306 -	\$ - 29,242 -	\$ 16,946 23,008 -	\$ 16,946 17,788 -	\$ 12,794 115,521 -
12,144,573	11,255,821	12,102,492	9,736,214	8,399,062	8,189,624
7,543,841 -	- 7,543,841	- 6,001,641	- 3,105,267	- 145,919	- 53,524
12,726,944 -	10,650,770 -	10,068,343 -	5,190,118 -	3,212,872 921,525	1,131,417 -
32,034,160	35,548,843	33,913,229	36,608,054	35,145,394	27,782,007
64,466,187	65,019,581	62,114,947	54,679,607	47,859,506	37,284,887
1,541,764	1,590,125	3,515,452	4,467,734	2,754,051	537,931
10,266,810	6,444,383	8,454,406	10,249,519	25,359,245	9,420,468
2,533,694 -	- 21,408,280	- 12,284,550	- 5,282,833	- 7,572,592	- 8,852,909
1,590,761	2,402,687	1,539,413	1,081,573	979,080	885,111
3,160,345 -	- 2,297,379	- 2,747,887	- 1,052,897	- 1,164,894	- 364,981
23,780,620	-	-	-	-	-
35,122 -	788,612 113,388	659,102 113,371	741,703 113,352	723,920 583,490	563,941 2,227,377
-	-	-	-	-	-
-	32,494	32,488	32,483	32,466	2,035,800
-	5,777,554	3,786,743	4,757,926	2,903,661	3,838,177
228,063	-	-	-	-	-
67,294 -	- 1,363,560	- 1,075,872	- 2,709,603	- 709,421	- 1,900,645
-	72,133	9,154	9,154	9,150	196,618
-	4,341,861	2,701,717	2,039,169	2,185,090	1,740,914
146,144 -	- (276,297)	- (2,695,073)	- (3,667,415)	- -	- -
43,350,617	46,356,159	34,225,082	28,870,531	44,977,060	32,564,872
\$ 107,816,804	\$ 111,375,740	\$ 96,340,029	\$ 83,550,138	\$ 92,836,566	\$ 69,849,759

ORANGE COUNTY, NORTH CAROLINA

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	For Year Ended June 30			
	2020	2019	2018	2017
Revenues				
Property taxes	\$ 171,125,831	\$ 165,291,673	\$ 160,164,100	\$ 155,630,633
Occupancy tax	1,272,790	1,698,073	1,609,015	1,518,624
Sales tax	31,800,771	31,843,731	29,403,519	28,004,172
Intergovernmental revenues	28,132,049	25,116,465	25,618,064	26,454,930
Charges for services	12,335,681	12,946,473	12,974,619	12,015,197
Investment earnings	2,103,470	3,553,143	1,392,733	618,793
Licenses and permits	267,010	288,988	304,622	314,454
Impact fees	-	-	- (2)	2,114,028
Miscellaneous	3,329,494	2,855,667	2,670,031	2,584,793
Total revenues	250,367,096	243,594,213	234,136,703	229,255,624
Expenditures				
Current:				
Community services	15,585,690	15,298,049	14,659,707	14,186,060
General government	10,170,359	9,898,414	9,692,463	8,209,934
Governing and management	-	-	-	-
General services	-	-	-	-
Community and environment	-	-	-	-
Human services	45,950,432	43,665,611	43,022,683	44,427,224
Education	151,003,467	127,320,635	98,899,949	97,196,824
Public safety	34,041,147	31,710,007	30,746,216	29,093,813
Support services	15,178,951	12,626,572	12,974,342	13,929,639
Cultural and recreational	-	-	-	-
Capital outlay	24,745,320	14,141,956	12,375,007	5,538,992
Debt Service:				
Principal	22,239,544	21,929,818	21,164,194	19,830,716
Interest	10,024,425	9,300,600	7,373,100	6,854,627
Total expenditures	328,939,335	285,891,662	250,907,661	239,267,829
Excess of revenues				
over (under) expenditures	(78,572,239)	(42,297,449)	(16,770,958)	(10,012,205)
Other financing sources (uses)				
Bonds issuance	20,060,000	71,452,701	29,400,000	-
Refunding issuance	-	-	-	-
Premiums received	7,291,635	6,586,231	7,865,143	-
Payments to escrow agent - refunding	(14,549,364)	-	(30,091,068)	-
Installment loans issuance	68,556,970	5,707,299	32,725,757	9,354,561
Proceeds from sale of capital assets	27,004	12,963	190,910	95,016
Transfers in	17,613,046	5,964,008	8,228,700	9,706,368
Transfers out	(16,705,339)	(8,717,038)	(10,498,836)	(11,274,717)
Total other financing sources	82,293,952	81,006,164	37,820,606	7,881,228
Net change in fund balances	\$ 3,721,713	\$ 38,708,715	\$ 21,049,648	\$ (2,130,977)
Debt service as a percentage of non-capital expenditures	10.41%	11.28%	11.52%	11.33%

(1) Debt service as a percentage of noncapital expenditures reflects principal and interest only divided by the sum of total expenditures less capital expenditures in all functional categories but only to the extent capitalized as an asset by the County.

(2) Due to a change in legislature, the counties are no longer permitted to charge for impact fees.

Note: Orange County changed to Functional Leadership Teams in FY 2015-16 (Community Services, General Government, and Support Services replaced Governing and management, General Services, Community and environment, and Cultural and recreational); the 2016 numbers are reflective of this organizational change.

Table 4

	2016		2015		2014		2013		2012		2011
\$	153,539,268	\$	150,938,119	\$	149,384,079	\$	142,589,686	\$	141,141,578	\$	139,112,298
	1,504,414		1,357,706		-		-		-		-
	26,207,817		25,021,116		22,924,419		21,248,342		18,271,966		15,115,418
	27,002,678		27,337,889		27,212,924		26,395,066		28,588,962		29,118,062
	10,787,145		12,620,908		10,998,366		10,317,422		10,094,081		10,312,004
	267,113		25,155		29,301		107,430		756,242		102,386
	3,164,736		331,510		324,537		322,477		329,265		403,014
	2,004,324		2,763,756		1,811,944		2,021,204		1,648,235		1,459,901
	243,823		1,558,260		969,654		1,242,602		1,458,674		1,733,217
	224,721,318		221,954,419		213,655,224		204,244,229		202,289,003		197,356,300
	11,980,673		-		-		-		-		-
	9,369,732		-		-		-		-		-
	-		13,050,437		13,027,305		12,280,547		11,946,149		11,547,032
	-		8,823,950		7,793,954		7,041,005		6,556,064		6,716,171
	-		13,612,192		12,915,703		11,815,147		12,308,296		11,853,619
	46,769,208		37,584,165		36,235,780		34,689,069		32,661,585		33,090,063
	85,679,979		78,548,393		71,212,992		67,488,591		63,939,903		63,912,513
	28,396,838		26,634,573		25,678,516		23,304,121		23,063,645		22,643,182
	11,661,104		-		-		-		-		-
	-		2,647,079		2,395,681		2,167,876		2,078,964		1,810,933
	7,580,903		13,030,640		20,928,560		31,105,574		19,779,947		18,376,147
	20,049,781		19,344,248		18,803,953		16,267,209		18,718,055		18,715,710
	6,867,259		8,369,842		6,680,919		8,759,668		15,280,193		9,909,939
	228,355,477		221,645,519		215,673,363		214,918,807		206,332,801		198,575,309
	(3,634,159)		308,900		(2,018,139)		(10,674,578)		(4,043,798)		(1,219,009)
	-		1,904,232		-		1,680,206		14,195,360		-
	-		15,140,000		-		13,300,000		96,693,500		-
	-		-		-		-		-		-
	-		(17,972,035)		-		(13,685,000)		(104,030,089)		-
	6,655,158		16,040,546		18,549,081		2,099,099		22,031,500		11,899,439
	32,167		-		-		-		-		-
	8,280,750		6,756,556		8,036,336		11,265,642		7,663,511		7,630,887
	(10,115,298)		(9,133,299)		(10,806,204)		(13,685,581)		(10,029,142)		(9,854,897)
	4,852,777		12,736,000		15,779,213		974,366		26,524,640		9,675,429
\$	1,218,618	\$	13,044,900	\$	13,761,074	\$	(9,700,212)	\$	22,480,842	\$	8,456,420
	11.79%		12.70%		12.05%		11.87%		18.22%		15.88%

ORANGE COUNTY, NORTH CAROLINA

Assessed Value and Actual Value of Taxable Property Last Ten Fiscal Years (Unaudited)

Fiscal Year	Real Property	Personal Property	Public Service Companies
2011	\$ 14,349,991,992	\$ 1,173,260,442	\$ 228,934,751
2012	14,509,087,828	1,217,661,746	234,219,001
2013	14,630,730,056	1,274,117,983	235,565,073
2014	14,734,501,833	* 1,724,462,428	239,923,242
2015	14,863,350,430	1,461,891,252	244,191,811
2016	15,020,157,254	1,442,897,338	382,744,805
2017	15,168,750,327	1,620,578,558	306,434,830
2018	16,385,248,774	1,711,150,366	315,583,138
2019	16,603,198,106	1,821,061,820	337,735,426
2020	16,974,899,491	1,726,673,593	337,564,917

Source: Annual County Report of Valuation and Property Tax Levies

Note - the 2018 Assessed Value as a Percentage of Actual Value ratio is reflective of the revaluation which represents a better estimate of the sales ratio.

* Assessed value of personal property includes an additional three months valuation

Table 5

Less Tax-exempt Property		Total Assessed Value	Total Direct Tax Rate	Estimated Actual Market Value		Assessed Value as a Percent of Actual Value
\$	62,197,005	\$ 15,689,990,180	0.858	\$	18,269,667,186	85.88%
	61,832,450	15,899,136,125	0.858		18,726,408,865	84.90%
	64,439,641	16,075,973,471	0.858		18,896,681,052	85.07%
	66,527,135	16,632,360,368	0.858		19,398,362,762	85.57%
	67,500,359	16,501,943,134	0.878		19,323,118,424	85.40%
	67,617,005	16,778,182,392	0.878		19,676,536,170	85.27%
	71,244,631	17,024,519,084	0.878		19,932,700,016	85.41%
	81,081,408	18,330,900,870	0.838		19,247,060,972	95.24%
	80,381,765	18,681,613,587	0.850		20,299,482,328	92.03%
	82,646,419	18,956,491,582	0.868		21,116,733,410	89.77%

ORANGE COUNTY, NORTH CAROLINA

Direct and Overlapping Property Tax Rates Last Ten Fiscal Years (Unaudited)

	For Year Ended June 30					
	2020	2019	2018	2017	2016	
County Direct Rates						
Orange County (1)	\$ 0.0868	\$ 0.0850	\$ 0.0838	\$ 0.0878	\$ 0.0878	
Total general direct rate	0.0868	0.0850	0.0838	0.0878	0.0878	
Fire Districts (2)	0.0908	0.0875	0.0712	0.0603	0.0623	
Total direct rate	\$ 0.1776	\$ 0.1726	\$ 0.1550	\$ 0.1481	\$ 0.1501	
Fire districts:						
Cedar Grove						
Chapel Hill						
Damascus						
Efland						
Eno						
Little River						
New Hope						
Orange Grove						
Orange Rural						
South Orange						
Southern Triangle						
White Cross						
Chapel Hill-Carrboro School District	0.02018	0.0202	0.0218	0.2084	0.2084	
Municipality rates:						
Chapel Hill	0.0544	0.5280	0.5080	0.5240	0.5240	
Carrboro	0.5944	0.5944	0.5894	0.5894	0.5894	
Hillsborough	0.6200	0.6200	0.6200	0.6800	0.6800	
Mebane	0.4700	0.4700	0.4700	0.4900	0.4900	

Source: Orange County Tax Assessor Office

(1) All County and Municipal tax rates are the direct property tax rate.

(2) Most property in the unincorporated areas is subject to one of twelve fire district taxes. The fire districts' direct rate shown above is a weighted average rate; which is computed using the assessed property values.

Table 6

2015		2014		2013		2012		2011	
\$	0.0878	\$	0.0858	\$	0.0858	\$	0.0858	\$	0.0858
	0.0878		0.0858		0.0858				
	0.0599		0.0663		0.0593				
\$	0.1477	\$	0.1521	\$	0.1451				
							0.0736		0.0736
							0.0750		0.0750
							0.0500		0.0500
							0.0466		0.0466
							0.0599		0.0599
							0.0406		0.0406
							0.0895		0.0695
							0.0408		0.0358
							0.0561		0.0636
							0.0785		0.0785
							0.0500		0.0500
							0.0700		0.0600
	0.2084		0.2084		0.1884		0.1884		0.1884
	0.5240		0.5140		0.4940		0.4940		0.4940
	0.5894		0.5894		0.5894		0.5894		0.5894
	0.6800		0.6800		0.6800		0.6200		0.6200
	0.4900		0.4700		0.4700		0.4700		0.4700

ORANGE COUNTY, NORTH CAROLINA
Table 7
**Principal Property Tax Payers
Current Year and Ten Years Ago
(Unaudited)**

Taxpayer	Type of Business	2020			2011		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy Carolina LLC	Public utility	\$ 145,235,672	1	0.77%	\$ 90,860,125	1	0.58%
Chapel Hill Foundation Real Estate Holdings Inc	Apartments/Retail	103,704,168	2	0.55%	45,447,501	4	
BIR Chapel Hill LLC	Apartments/Retail	68,603,700	3	0.36%			
Piedmont Electric Membership	Public utility	64,957,329	4	0.34%	47,131,666	3	0.30%
Northwestern Mutual Life Insurance Co	Apartments rental	57,473,228	5	0.30%			
Public Service Co of NC Inc	Public utility	55,128,293	6	0.29%			
State Employees' Credit Union	Bank	50,884,688	7	0.27%			
East 54 Office Retail LLC	Office/Retail	40,135,700	8	0.21%	37,873,736	5	
Health System Properties LLC	Medical	37,646,298	9	0.20%			
Chapel Hill at the Pointe Villager LLC	Apartments rental	36,842,700	10	0.19%			
VAC Limited Partnership	Apartments rental				60,038,017	2	0.38%
Blue Cross and Blue Shield of N.C.	Health Insurance				37,283,898	6	0.24%
Corium LLC	Insurance provider				35,399,117	7	0.23%
Madison University Mall Properties	Retail				34,182,311	8	0.22%
Bell South Telephone and Telegraph Co.	Public Utility				28,811,844	9	0.18%
Europa Center LLC	Hotel				27,814,759	10	0.18%
DDRM Meadowmont Village Center LLC	Real Estate						0.00%
Total		<u>\$ 660,611,776</u>		<u>3.48%</u>	<u>\$ 444,842,974</u>		<u>2.30%</u>

Source: Orange County Tax Assessor.

ORANGE COUNTY, NORTH CAROLINA

Property Tax Levies and Collections Last Ten Fiscal Years (Unaudited)

Tax Year	Year Ended June 30	Current* Adjusted Tax Levy	Current Years' Levy Collections	Percentage Collected
2010	2011	\$ 135,126,347	\$ 133,163,625	98.55%
2011	2012	136,779,611	134,715,752	98.49%
2012	2013	137,962,627	135,750,916	98.40%
2013	2014	142,778,607	141,033,067	98.78%
2014	2015	145,238,432	143,903,487	99.08%
2015	2016	146,967,477	145,747,667	99.17%
2016	2017	149,566,210	148,358,015	99.19%
2017	2018	153,783,722	152,424,863	99.12%
2018	2019	159,101,577	157,743,510	99.14%
2019	2020	164,884,700	163,403,993	99.10%

*Tax levy includes special districts

**This percent was calculated using the prior years levy receivable and the current year levy. Prior to 2013 the current year levy was the only levy used to calculate.

Table 8

Prior Years' Levy Collections		Total Collections During Year	Percent of Total Collections to Adjusted Tax Levy		Total Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Adjusted Tax Levy
\$	1,606,528	\$ 134,770,153	99.74%		\$ 3,550,073	2.63%
	1,157,337	135,873,089	99.34%		3,904,558	2.85%
	1,636,473	137,235,475	99.47%		4,479,776	3.25%
	2,026,279	143,059,346	97.34%	**	4,199,037	2.94%
	1,504,945	145,408,432	97.30%	**	4,029,037	2.77%
	1,309,964	147,057,631	97.39%	**	3,938,883	2.68%
	1,155,219	149,513,234	97.39%	**	3,991,858	2.67%
	1,179,696	153,604,559	97.39%	**	4,171,021	2.71%
	1,332,779	159,076,289	97.42%	**	4,196,309	2.64%
	1,188,587	164,592,580	97.35%	**	4,488,429	2.72%

ORANGE COUNTY, NORTH CAROLINA

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities				
	General Obligation Bonds	Installment Loans	Capital Leases	State Revolving Loans	Premiums
2011	\$ 103,490,000	\$ 109,732,854	\$ 3,200,000	\$ -	\$ 1,490,486
2012	95,520,000	114,393,535	2,486,176	-	15,685,846
2013	86,205,000	105,697,170	1,746,233	2,099,099	16,583,769
2014	77,150,000	120,189,844	-	1,663,703	15,318,561
2015	68,355,000	122,631,057	-	2,679,597	14,118,757
2016	59,280,000	118,995,610	-	2,533,957	9,995,850
2017	50,430,000	117,955,775	-	2,388,317	7,382,845
2018	71,185,000	111,568,633	-	2,242,677	13,049,290
2019	125,740,000	112,389,455	-	2,097,037	16,433,431
2020	131,000,000	160,217,516	-	831,074	20,933,128

Note - Installment loans and State revolving loans are payable from general government resources of the County.

(1) See Table 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Table 9

Business-type Activities			Total Primary Government	Per Capita (1)	Percentage of Personal Income (1)
Installment Loans	Capital Leases	Premiums			
\$ 7,661,455	\$ 1,024,821	\$ -	\$ 226,599,616	1,694	3.61%
10,175,318	606,855	-	238,867,730	1,724	3.61%
9,429,225	325,128	-	222,085,624	1,605	3.11%
8,724,908	-	-	223,047,016	1,597	3.04%
9,980,805	-	-	217,765,216	1,538	2.88%
9,799,916	-	-	200,605,333	1,416	2.56%
12,185,551	-	-	190,342,488	1,329	2.14%
11,164,960	-	328,071	209,538,631	1,456	2.36%
11,501,093	-	496,643	268,657,659	1,861	2.76%
12,053,942	-	554,553	325,590,213	2,222	3.31%

**Ratios of Net General Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year	General Bonded Debt Outstanding					Percentage of Personal Income (1)	Percentage of Actual Taxable Value of Property (2)	Per Capita (1)
	General Obligation Bonds	Installment Loans	State Revolving loan	(Discount) Premium	Total			
2011	\$ 103,490,000	\$ 109,732,854	\$ -	\$ 1,490,486	\$ 214,713,340	3.43%	1.37%	1,605
2012	95,520,000	114,393,535	-	15,685,846	225,599,381	3.41%	1.42%	1,628
2013	86,205,000	105,697,170	2,099,099	16,583,769	210,585,038	2.95%	1.31%	1,522
2014	77,150,000	120,189,844	1,663,703	15,318,561	214,322,108	2.92%	1.29%	1,534
2015	68,355,000	122,631,057	2,679,597	14,118,757	207,784,411	2.75%	1.26%	1,467
2016	59,280,000	118,995,610	2,533,957	9,995,850	190,805,417	2.44%	1.14%	1,347
2017	50,430,000	117,955,775	2,388,317	7,382,845	178,156,937	2.01%	1.05%	1,244
2018	71,185,000	111,568,633	2,242,677	13,049,290	198,045,600	2.23%	1.08%	1,377
2019	125,740,000	112,389,455	2,097,037	16,433,431	256,659,923	2.64%	1.37%	1,778
2020	131,000,000	160,217,516	831,074	20,933,128	312,981,718	3.18%	1.65%	2,136

*Information not yet available.

Notes: Details regarding the County's outstanding debt can be found in the notes to the basic financial statements.

(1) See Table 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(2) See Table 5 for property value data.

ORANGE COUNTY, NORTH CAROLINA

Legal Debt Margin Information Last Ten Fiscal Years

	For Year Ended June 30				
	2020	2019	2018	2017	2016
Assessed value of property	\$ 18,956,491,582	\$ 18,681,613,587	\$ 18,330,900,870	\$ 17,024,519,084	\$ 16,778,182,392
Debt limit, 8% of assessed value (statutory limitation)	1,516,519,327	1,494,529,087	1,466,472,070	1,361,961,527	1,342,254,591
Amount of debt applicable to limit:					
Gross debt	292,048,590	240,226,492	184,996,310	170,774,092	180,809,567
Less:					
Amount available for repayment of general obligation bonds	-	-	-	-	-
Debt outstanding for water and sewer purposes	-	-	-	-	-
Revenue bonds	-	-	-	-	-
Total net debt applicable to limit	292,048,590	240,226,492	184,996,310	170,774,092	180,809,567
Legal debt margin	\$ 1,224,470,737	\$ 1,254,302,595	\$ 1,281,475,760	\$ 1,191,187,435	\$ 1,161,445,024
Total net debt applicable to limit as a percentage of debt limit	19.26%	16.07%	12.62%	12.54%	13.47%

Note: NC Statute 159-55 limits the County's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit; money held for payment of principal; debt incurred for water, sewer, gas, or electric power purposes; uncollected special assessments, funding and refunding bonds yet to be issued; and revenue bonds. The debt limit and the County's net debt outstanding applicable to the limit and represents the County's legal borrowing authority.

	2015	2014	2013	2012	2011
\$	16,501,943,134	\$ 16,632,360,368	\$ 16,075,973,471	\$ 15,899,136,125	\$ 15,689,990,180
	1,320,155,451	1,330,588,829	1,286,077,878	1,271,930,890	1,255,199,214
	193,665,654	199,003,547	194,001,269	209,913,535	213,222,854
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	193,665,654	199,003,547	194,001,269	209,913,535	213,222,854
\$	1,126,489,797	\$ 1,131,585,282	\$ 1,092,076,609	\$ 1,062,017,355	\$ 1,041,976,360
	14.67%	14.96%	15.08%	16.50%	16.99%

ORANGE COUNTY, NORTH CAROLINA

Table 12

**Direct and Overlapping Governmental Activities Debt
(Unaudited)
As of June 30, 2020**

Governmental Unit	Debt Outstanding	(2) Percentage Municipality in County	Estimated Share of Direct and Overlapping Debt
Municipalities:			
Town of Carrboro	\$ 4,050,861	100%	\$ 4,050,861
Town of Chapel Hill	52,881	100%	52,881
Town of Hillsborough	33,529,628	100%	33,529,628
City of Durham	623,265	3%	18,698
Town of Mebane	8,371,909	30%	2,511,573
Overlapping debt	<u>46,628,544</u>		<u>40,163,641</u>
Direct debt	312,150,644		312,150,644
Total direct and overlapping debt:	<u>\$ 358,779,188</u>		<u>\$ 352,314,285</u>

Source: (1) The Total Outstanding Debt (provided by the Finance Officers of above listed municipalities) is multiplied by the percentage of municipality residents in the County.

Source: (2) The percentage of overlapping is computed by dividing the population of Orange County residents in the municipality by the municipality total population.

ORANGE COUNTY, NORTH CAROLINA

Table 13

Demographic and Economic Statistics Last Ten Fiscal Years (Unaudited)

Year	Population (1)	Personal Income (2) (Thousands of Dollars)	Per Capita Personal Income (2)	Median Age	Public Schools Enrollment (3)	Unemployment Rate (4)	Number of Building Permits Performed (5)
2011	133,801	\$ 6,268,886	\$ 47,925	33.10	19,026	6.5%	1,962
2012	138,550	6,608,945	46,713	33.00	19,462	6.5%	1,640
2013	138,330	7,131,776	48,683	33.49	19,553	6.2%	1,769
2014	139,694	7,345,876	51,702	33.49	20,051	5.7%	1,791
2015	141,596	7,557,466	52,339	34.57	20,202	4.8%	1,852
2016	141,704	7,822,229	55,201	35.05	20,040	4.4%	3,026
2017	143,264	8,884,312	62,014	35.05	19,959	4.6%	1,793
2018	143,873	8,884,312	61,751	33.60	20,232	3.5%	2,937
2019	144,372	9,728,507	67,385	33.60	20,938	4.0%	2,087
2020	146,521	9,840,004	67,158	34.70	20,408	5.5%	4,853

Notes:

- (1) N.C. State Data Center. Estimates are as of beginning of fiscal year.
- (2) Bureau of Economic Analysis, U.S. Department of Commerce. Figures are for the prior calendar year. 2018 personal income not available, prior year figures are repeated.
- (3) Orange County Finance and Administrative Services budget student numbers
- (4) N.C. Employment Security Commission, annual average for prior calendar year.
- (5) Total number of building permits issued by Orange County Inspections Department.
Includes inspections by municipalities.

ORANGE COUNTY, NORTH CAROLINA

Table 14

Principal Employers Current Year and Nine Years Ago (Unaudited)

Employer	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
UNC-Health Care	13,029	1	16.44%	11,912	1	18.56%
UNC Chapel Hill	12,078	2	15.24%	7,695	2	12.05%
Chapel Hill-Carrboro City Schools	2,000	3	2.52%	1,772	3	2.75%
Orange County Government	1,272	4	1.61%	817	6	1.28%
Orange County Schools	1,167	5	1.47%	1,224	4	1.91%
Town of Chapel Hill	680	6	0.86%	944	5	1.48%
UNC Physicians Network LLC	412	7	0.52%			
ABB (formerly General Electric)	379	8	0.48%	403	10	0.64%
AKG of America	355	9	0.45%			
Aramark Services	314	10	0.40%	321	8	1.13%
Blue Cross Blue Shield				788	7	1.23%
HRR Prime LLC				723	8	1.13%
Harris Teeter, Inc				472	9	0.78%

Source: Orange County Economic Development Commission, Employment Security Commission

ORANGE COUNTY, NORTH CAROLINA

Full-Time Equivalent County Government Employees by Function/Program Last Ten Fiscal Years (Unaudited)

Function/Program	For Year Ended June 30				
	2020	2019	2018	2017	2016
Government and management	-	-	-	-	-
General services	-	-	-	-	-
Community and environment	-	-	-	-	-
Human services	-	-	-	-	-
Public safety	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Solid waste enterprise	-	-	-	-	-
Community services	155.20	161.40	153.20	145.00	132.80
General government	113.13	104.43	93.23	98.83	100.43
Human services	366.63	358.01	364.60	356.23	341.76
Support services	71.90	73.90	75.90	77.10	74.30
Public safety	290.40	288.60	236.10	285.98	269.58
Solid waste	67.68	65.48	64.75	65.85	62.65
Total	1,064.94	1,051.82	987.78	1,028.99	981.52

Source: County Finance and Administrative Services Department

Note: Orange County changed to Functional Leadership Teams in fiscal year 2015-16; the 2016 numbers are reflective of this organizational change.

This table represents number of persons employed as of June 30 of each year. Vacant positions are not included in the above numbers. Full-time personnel work 2,080 hours per year (less vacation and sick leave). For purposes of this table the number of part-time employees has been divided by 2.5 to arrive at the full-time equivalents.

Table 15

2015	2014	2013	2012	2011
101.75	96.15	91.95	94.40	91.55
86.03	78.50	61.10	62.90	60.15
95.20	89.40	92.50	84.70	90.90
297.86	312.48	293.43	308.10	304.50
265.28	262.90	263.68	246.80	241.20
29.53	33.00	35.15	28.43	29.83
62.28	60.25	58.20	57.25	53.10
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
937.93	932.68	896.01	882.58	871.23

ORANGE COUNTY, NORTH CAROLINA

Operating Indicators by Function/Program Last Ten Fiscal Years (Unaudited)

Function/Program	For Year Ended June 30			
	2011	2012	2013	2014
Governing and Management:				
Number of animals sheltered	3,750	3,419	3,495	3,258
Number of rabies investigations	140	108	101	186
Employment applications received	3,000	3,347	9,256	7,980
General Services:				
Incoming calls to technology help desk	6,409	7,879	9,086	11,020
Real estate documents processed	23,804	22,901	25,904	19,672
Vital records recorded and issued	18,321	18,188	18,308	17,988
Community and Environment:				
Building permits issued	658	661	635	666
Building, plumbing, mechanical, and electrical inspections completed	15,400	13,092	10,648	10,688
Human Services:				
Households receiving food stamps	5,403	6,234	6,504	6,634
Individuals receiving food stamps	N/A	N/A	N/A	N/A
Number of Medicaid cases	7,089	9,532	10,028	13,575
Number of families receiving daycare subsidy	560	715	741	700
Total number of dental patient visits	2,277	3,605	4,747	5,279
Family planning clients served	1,431	1,004	1,104	1,317
Public Safety:				
Requests for EMS service	11,655	13,287	13,132	12,554
Number of fire inspections	300	279	272	379
Average number of non-federal inmates per month	170	180	180	170
Culture and Recreation:				
Library materials circulated at Orange County Library	337,010	405,282	444,261	422,265
Number of reference volumes at Orange County Library	2,555	2,600	3,161	2,697
Education:				
Average daily membership (NCDPI Planning #'s)	18,990	19,549	19,757	20,051
County current expense appropriation per pupil (\$)	3,096	3,102	3,167	3,269

N/A - Information was not available

Source: Orange County Finance and Administrative Services Department

Table 16

2015	2016	2017	2018	2019	2020
3,246	3,162	2,934	2,966	3,058	2,501
232	86	72	121	112	90
6,703	8,891	7,519	6,453	6,793	5,310
11,825	12,416	10,696	10,842	10,351	9,901
19,214	19,969	20,558	18,740	16,357	20,138
18,909	20,297	22,164	20,945	2,339	22,255
815	890	891	986	1,045	937
14,900	17,000	16,616	18,477	17,443	16,149
N/A	N/A	N/A	N/A	N/A	N/A
11,793	10,640	11,492	9,880	14,478	14,459
12,960	12,496	12,867	13,066	12,033	13,597
685	710	750	721	792	667
6,131	6,949	6,924	6,840	7,215	6,927
1,812	1,032	1,026	829	772	646
13,810	16,607	16,908	17,227	18,306	19,144
400	308	366	350	511	1,147
173	76	76	75	75	57
442,367	450,372	427,632	463,348	434,993	353,766
2,240	2,897	2,672	2,813	2,725	2,131
20,202	20,040	19,959	20,232	20,398	20,408
3,571	3,698	3,868	3,991	4,165	4,352

ORANGE COUNTY, NORTH CAROLINA

Capital Asset Statistics by Function/Program Last Ten Fiscal Years (Unaudited)

Function/Program	For Year Ended June 30			
	2011	2012	2013	2014
Human Services:				
Public health occupied square footage	18,400	33,638	33,638	30,027
Social services occupied square footage	60,181	59,825	59,825	55,430
Cooperative extension occupied square footage	4,986	4,986	4,986	4,968
Number of centers	13	13	13	13
Public Safety:				
Number of law enforcement vehicles	129	137	141	153
Number of emergency services vehicles	33	28	31	32
Number of animal control vehicles	8	6	6	6
Detention capacity	129	129	129	129
Cultural and Recreational:				
Libraries - branches	3	3	3	3
Volume of library books	195,282	113,978	100,843	103,259
Education:				
Number of schools	29	29	29	30

Source: Orange County Finance and Administrative Services Department

Table 17

2015	2016	2017	2018	2019	2020
31,433	31,433	31,433	31,433	31,433	31,433
55,437	55,437	55,437	55,437	55,437	55,437
5,198	5,198	5,198	5,198	5,198	5,198
14	15	15	15	15	15
146	143	143	152	143	160
34	34	34	39	39	37
6	6	6	6	7	7
129	129	129	129	129	129
3	3	3	3	3	3
111,421	114,580	114,580	111,682	112,054	101,568
30	30	30	30	30	30