



2020 POPULAR ANNUAL FINANCIAL REPORT

for the year ended June 30, 2020

2020 POPULAR ANNUAL FINANCIAL REPORT

The Orange County Department of Finance and Administrative Services is proud to present this Popular Annual Financial Report (PAFR). This short-form report provides summarized information about the County’s financial activities. It is intended to give readers an overview of the County and its finances. It is derived from, but does not provide all the detailed information required by accounting standards (Generally Accepted Accounting Principles—or GAAP). It does not include information on all of the County’s Funds or Component Units.

Detailed financial information, including the audited financial statements, is available in the County’s Annual Financial Report. The Annual Financial Report provides full disclosure of all material events in the notes to the financial statements, as well as required supplementary information and historical statistical information.

The Annual Financial Report is available online at: www.orangecountync.gov/AFR



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Photo at left: “Axis Mundi” by Joel Elliott.

THE DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES

Department Mission Statement:

The Department strives to be a strategic partner in providing fiscal leadership, excellent service delivery, and financial accountability for all residents and stakeholders.

The Department of Finance and Administrative Services exists to provide governmental services requested by our residents or mandated by the state of North Carolina and to communicate the County's strong fiscal position through clear and concise financial reporting.

PAFR REPORTING

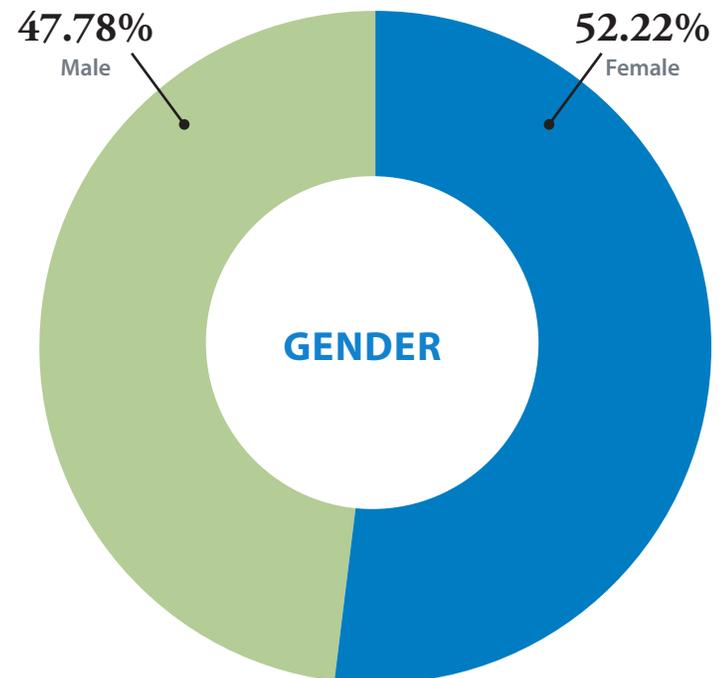
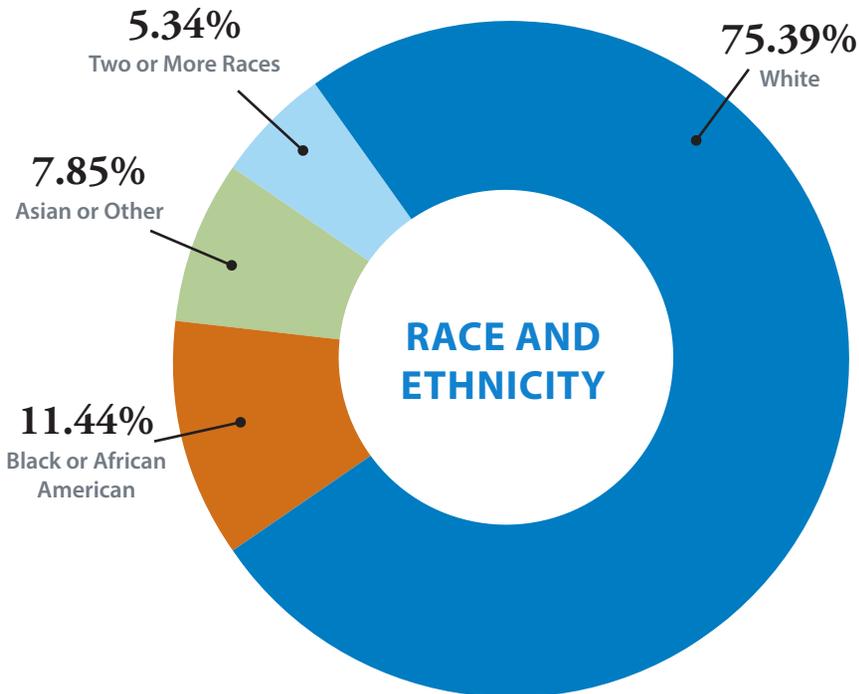
Orange County will submit the PAFR to the Government Finance Officers Association of the United States and Canada (GFOA) and to the residents of Orange County, North Carolina. The goal is to obtain the Award for Outstanding Achievement in Popular Annual Financial Reporting for the third year.

The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest national standards for preparation of state and local government popular financial reports.



ORANGE COUNTY QUICK FACTS

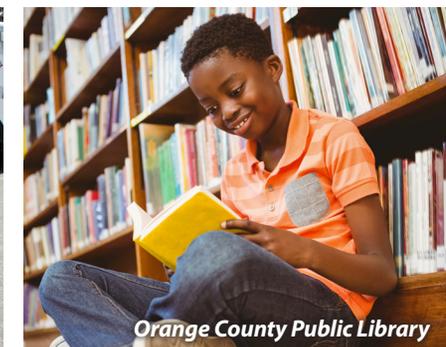
FOUNDED:	1752
GEOGRAPHY:	<i>Land:</i> 398 square miles • <i>Water:</i> 3.5 square miles
DEMOGRAPHICS:	<i>Residents:</i> 147,063 • <i>Median Age:</i> 34.8 • <i>Per capita personal income:</i> \$67,158
RACE AND ETHNICITY:	<i>White:</i> 75.39% • <i>Black or African American:</i> 11.44% • <i>Asian or other:</i> 7.85% • <i>Two or more races:</i> 5.34%
GENDER:	<i>Female:</i> 52.22% • <i>Male:</i> 47.78%
EDUCATION:	<i>High School Graduates:</i> 92.74% • <i>Bachelor's Degree:</i> 59.73%



ORANGE COUNTY METRICS

FUNCTION/PROGRAM	2018	2019	2020
GOVERNING AND MANAGEMENT			
Number of animals sheltered	2,966	3,058	2,091
Employment applications received	6,453	6,793	5,310
GENERAL SERVICES			
Incoming calls to Technology Help Desk	10,842	10,351	11,989
Real estate documents processed	18,740	16,357	21,053
Vital records recorded and issued	20,945	21,339	19,289
COMMUNITY AND ENVIRONMENT			
Building permits issued	986	1,045	1,345
Building, plumbing, mechanical, and electrical inspections completed	18,477	17,443	16,178
HUMAN SERVICES			
Number of Medicaid cases	13,066	12,033	2,844
Number of families receiving daycare subsidy	721	792	625
Total number of dental patient visits	6,840	7,215	6,927
Family planning clients served	829	772	646

FUNCTION/PROGRAM	2018	2019	2020
PUBLIC SAFETY			
Requests for EMS service	17,227	18,306	19,144
Number of fire inspections	350	511	918
Average number of non-federal inmates per month	75	75	75
CULTURE AND RECREATION			
Library materials circulated at Orange County Library	463,348	434,993	125,718
Number of reference volumes at Orange County Library	2,813	2,725	2,353
EDUCATION			
Average daily membership (NCDPI Planning numbers)	20,232	20,398	20,408
County current expense appropriation per pupil (\$)	3,991	4,165	4,352



KEY COUNTY DATA

POPULATION/GROWTH RATES

According to the United States Census, the County has experienced population growth of 4% over the last five years. The following table presents the historical population of Orange County over the past five years.

Source: Orange County Economic Development

ORANGE COUNTY POPULATION

YEAR	POPULATION
2015	140,841
2016	142,364
2017	142,830
2018	144,372
2019	145,574
2020	147,093*

Source: NC Office of Management and Budget, population estimates are adjusted to match annual updates.

*Projection

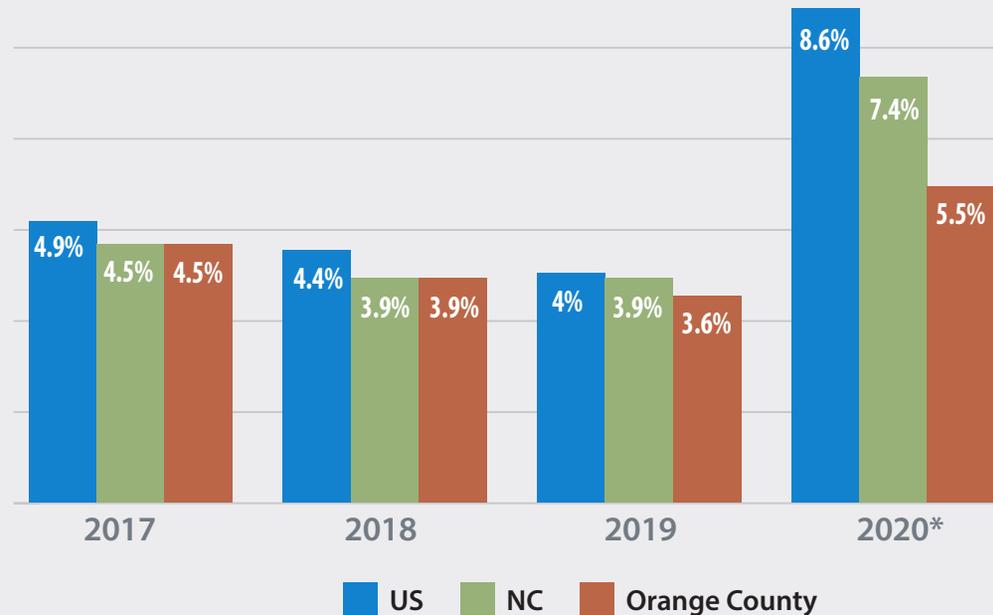
EMPLOYMENT

The County's unemployment rate has consistently been low. The following graph presents the average monthly unemployment rates for each of the past five calendar years.

Per the U.S. Bureau of Labor and Economic Analysis, the County's 2020 unemployment rate of 5.5% was below the state rate of 7.4%, and the national rate of 8.6%.

UNEMPLOYMENT RATES

Average for Each Calendar Year



Source: United States Bureau of Labor Statistics

*January 1 - October 30, 2020

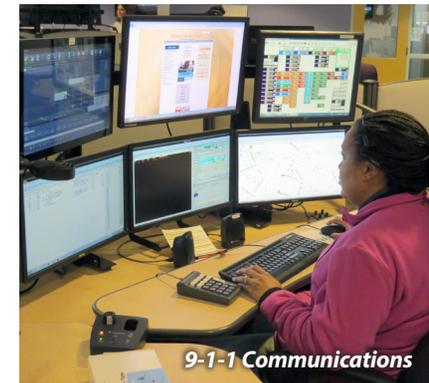
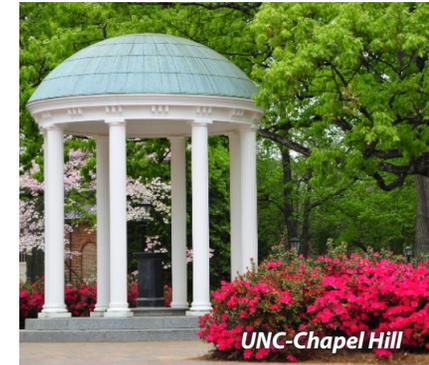
KEY COUNTY DATA

The County is home to the University of North Carolina at Chapel Hill and UNC Health Care, which are major employment sources. The County's primary occupations are in educational services, health care 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.

The largest employers by number of employees have remained relatively consistent. Some of the largest employers are in education, health services, manufacturing, trade, transportation, and utilities. The following table presents firms employing the most persons in the County as of the most recent available information.

2020 TOP 10 EMPLOYERS

	EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT
1	UNC Health Care	13,029	16.1%
2	UNC-Chapel Hill	12,078	15.5%
3	Chapel Hill-Carrboro City Schools	2,000	2.2%
4	Orange County Government	1,272	1.4%
5	Orange County Schools	1,167	1.3%
6	Town of Chapel Hill	680	1.2%
7	UNC Physicians Network LLC	412	0.9%
8	ABB (Formerly General Electric)	379	0.7%
9	AKG of America	355	0.6%
10	Aramark Services	314	0.5%
	TOTAL	31,686	40.4%



ORANGE COUNTY GOVERNMENT

Orange County is governed by a seven-member board of commissioners, elected by district and at-large in partisan countywide elections held in November of even-numbered years. Commissioners serve four-year terms. New board members take office at the first meeting in December following the November election. At this meeting, commissioners take the oath of office and elect a chair and vice chair for the coming year.

The primary duties of the board include adopting an annual budget, establishing the annual property tax rate, appointing various officials and representatives to advisory boards and commissions, planning for county needs and enacting local ordinances. The board also has the authority to call bond referenda, enter into contracts and establish new programs and departments.



Renee Price
Chair District 2

Jamezetta Bedford
Vice Chair District 1



Mark Dorosin
District 1

Amy Fowler
At Large

Sally Greene
At Large

Jean Hamilton
District 1

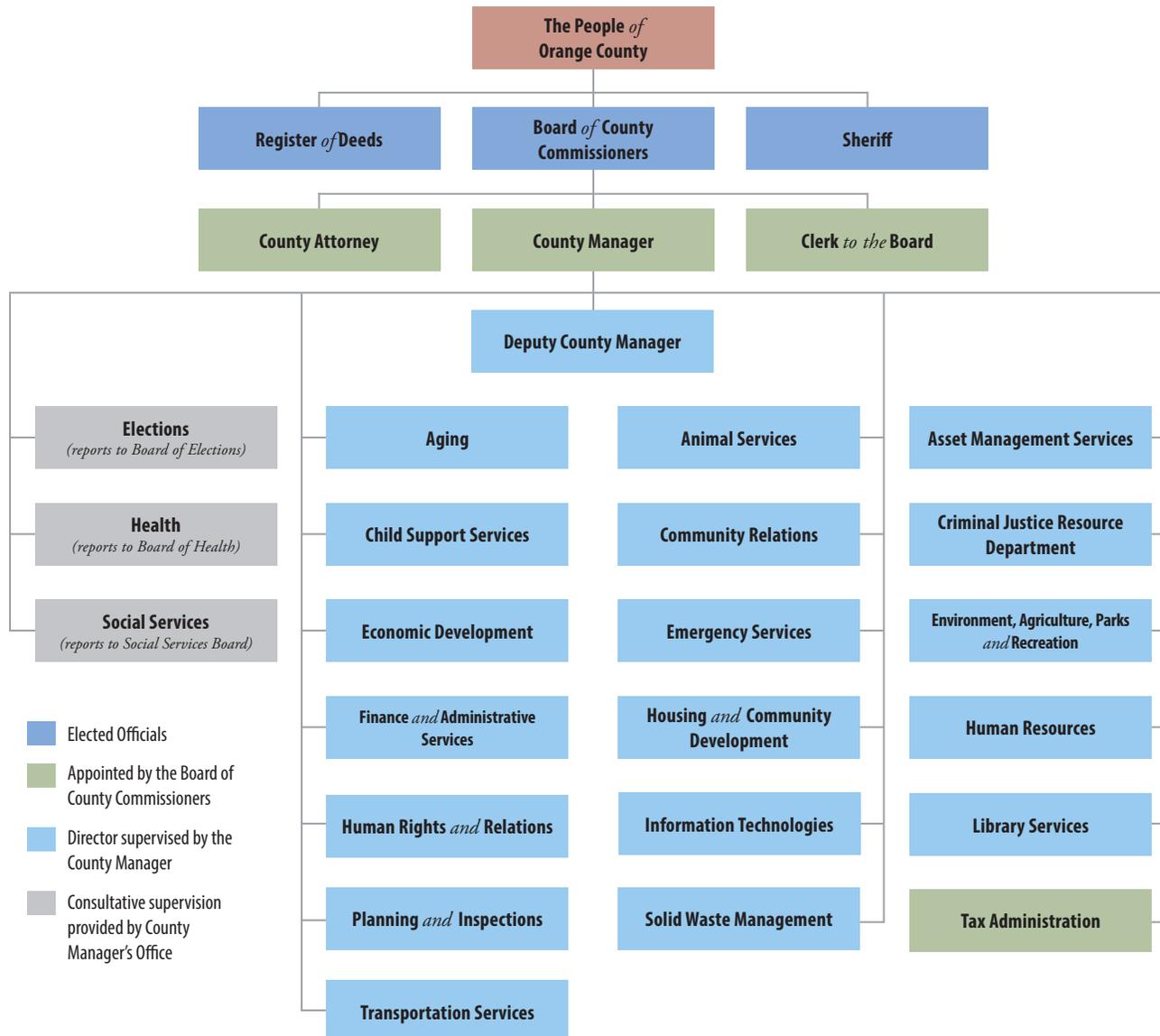
Earl McKee
District 2

BOARD OF COUNTY COMMISSIONERS OF ORANGE COUNTY

You may call the
Clerk to the Board at
919.245.2130

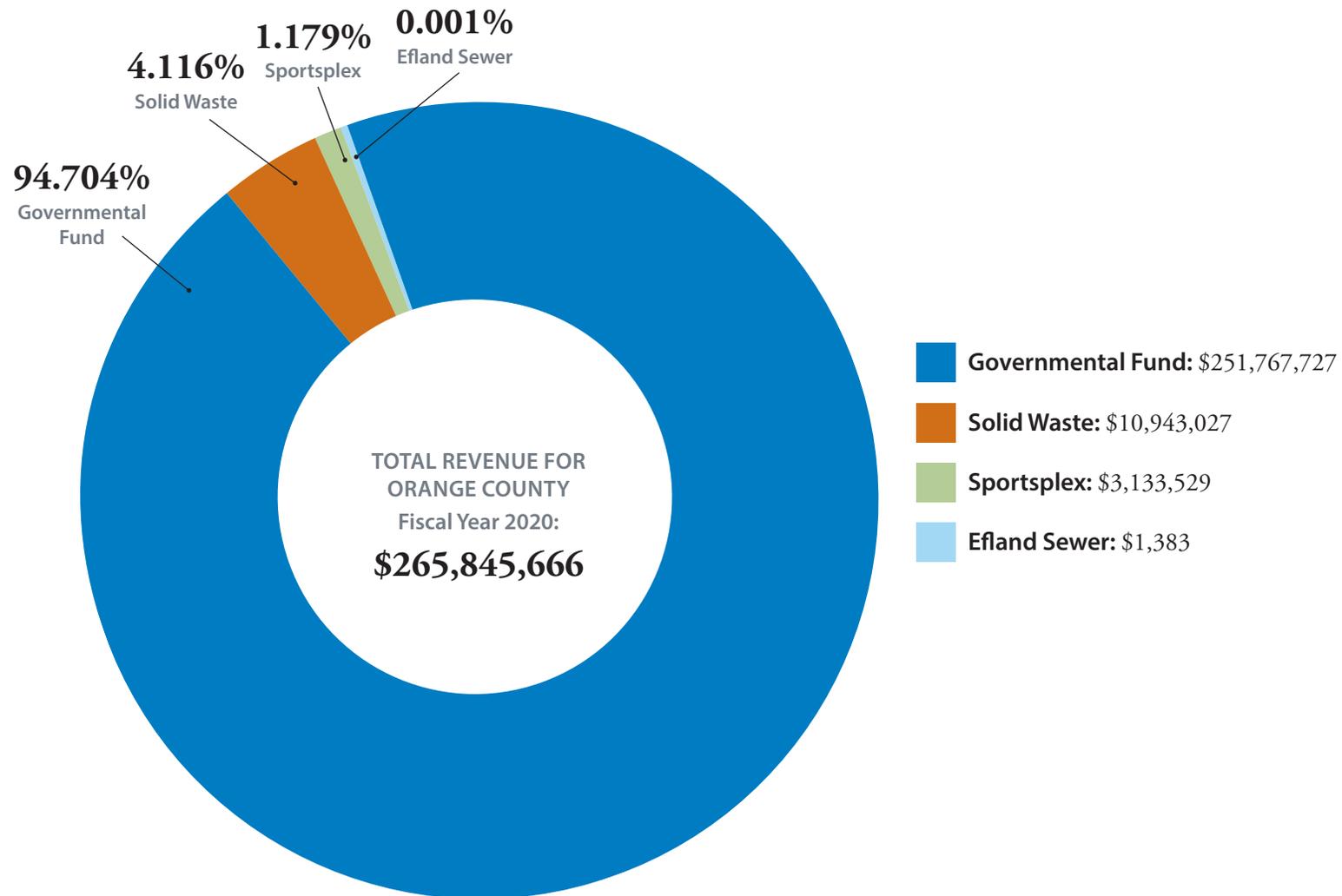
The Clerk's office is located at
300 West Tryon Street in
Hillsborough, NC.

ORGANIZATIONAL STRUCTURE



REVENUES

PERCENTAGE OF COUNTY'S TOTAL REVENUE



NET POSITION

STATEMENT OF NET POSITION AS OF JUNE 30, 2020

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
TOTAL ASSETS	310,753,321	37,019,443	347,772,764
TOTAL DEFERRED OUTFLOWS OF RESOURCES	42,582,298	721,757	43,304,055
TOTAL LIABILITIES*	500,916,713	21,039,326	521,956,039
TOTAL DEFERRED INFLOWS OF RESOURCES	4,884,337	67,470	4,951,807
TOTAL NET POSITION	(152,465,431)	16,634,404	(135,831,027)

* Under North Carolina Law, the County is responsible for providing capital funding for the school systems. School debt is included as part of total County liabilities, but school capital assets are recorded on school systems' balance sheets.



GENERAL FUND

The general fund is the chief operating fund of the County. This fund (governmental fund) includes the general revenues and functional leadership expenditures that support county operations.

Unlike the government-wide financial statement presented previously, the general fund is presented using a current resources focus (amounts to be collected or paid in the near term).

2020
\$8.1 MILLION
GENERAL FUND REVENUE INCREASE

REVENUES
Property taxes
Sales tax
Intergovernmental revenues
Charges for service
Investment earnings
Licenses & permits
Miscellaneous

EXPENDITURES
Community services
General government
Public safety
Human services
Education
Support services
Debt service: Principal
Debt service: Interest

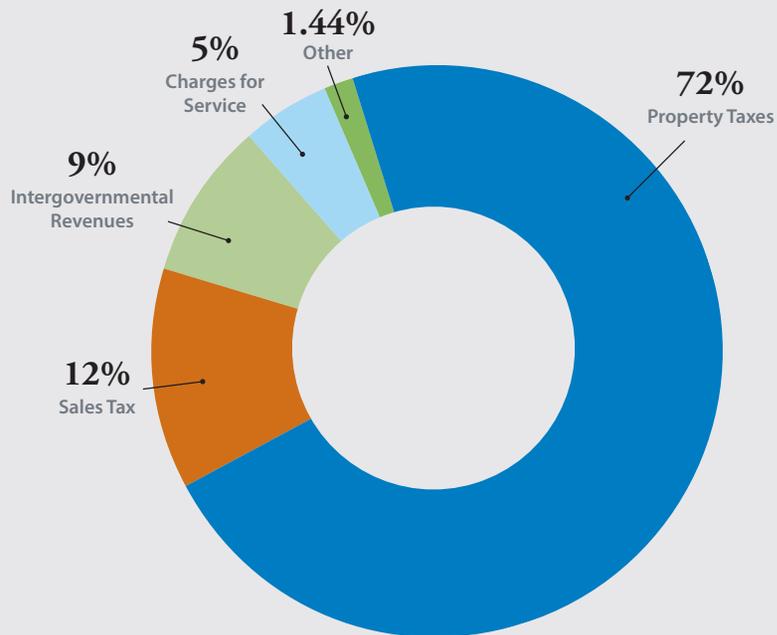


GENERAL FUND

	2015		2016	2017	2018	2019	2020
REVENUES							
Property taxes	145,833,869	Property taxes	148,167,340	150,063,192	154,116,874	158,975,376	164,688,450
Sales tax	21,685,840	Sales tax	22,992,165	24,409,044	25,678,026	27,844,579	28,126,263
Intergovernmental revenues	20,594,979	Intergovernmental revenues	20,502,657	19,807,744	17,328,187	17,594,067	20,472,870
Charges for service	11,944,185	Charges for service	10,221,627	11,423,942	12,322,736	12,215,839	11,720,638
Investment earnings	15,051	Investment earnings	151,392	437,172	800,469	1,158,576	709,277
Licenses & permits	331,510	License & permits	313,275	314,454	303,986	288,988	267,010
Miscellaneous	985,124	Miscellaneous	1,802,553	1,965,108	2,432,400	2,581,039	2,307,938
Total revenues	201,390,558		204,151,009	208,420,656	212,982,678	220,658,464	228,292,446
EXPENDITURES							
Governing & management	13,050,437	Community services	10,260,958	11,372,118	11,967,488	12,391,965	12,983,059
General services	7,589,861	General government	9,369,732	8,062,146	9,515,280	9,690,362	9,896,723
Community & environment	6,391,893	Public safety	22,306,159	23,100,639	24,065,971	24,029,259	26,088,189
Human services	37,008,858	Human services	39,597,192	38,472,323	36,449,383	37,412,281	38,881,489
Education	76,847,414	Education	78,837,341	84,295,676	89,975,647	90,688,339	93,136,287
Public safety	20,945,780	Support services	11,661,104	13,929,639	12,974,342	12,626,572	15,178,951
Cultural & recreational	2,647,079	Debt service:					
Debt service: Principal	19,344,248	Principal	19,519,042	19,307,488	20,730,642	21,359,375	21,749,149
Interest	8,052,975	Interest	6,594,944	6,530,451	6,733,833	8,159,291	9,157,708
Total expenditures	191,878,545		198,146,472	205,070,480	212,412,586	216,357,444	227,071,555
REVENUES OVER (UNDER) EXPENDITURES	9,512,013		6,004,537	3,350,176	570,092	4,301,020	1,220,891

GENERAL FUND

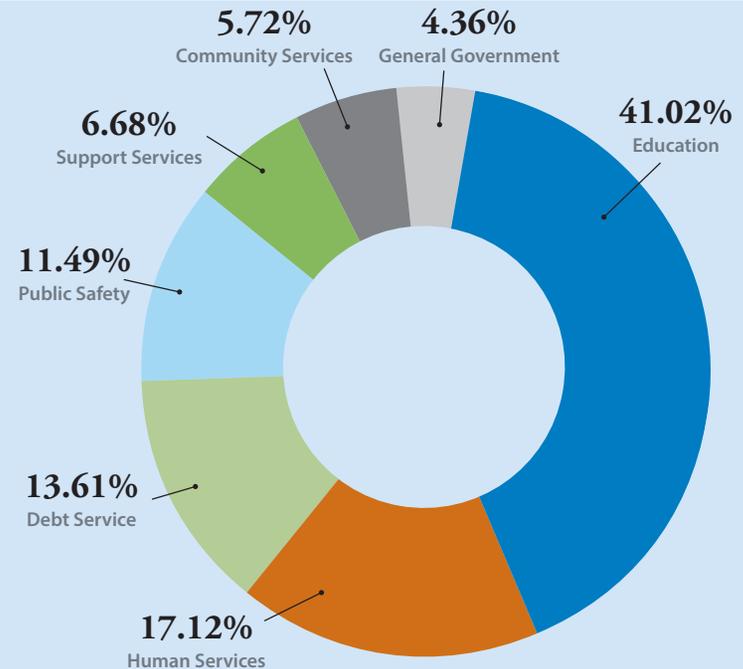
WHERE THE MONEY COMES FROM



Taxes comprise the vast majority of general fund revenues at 84%. Property taxes are the largest funding source at about 72% of total revenues. Intergovernmental revenues, comprised of grants and pass-through funds, are 9% of total revenues.

Sales tax represents approximately 12% of total revenues, while charges for services comprises approximately 5%. *Other* includes investment earnings, licenses and permits, and miscellaneous.

WHERE THE MONEY GOES



Education and school debt service is approximately 54% of total general fund expenditures. Human Services is approximately 17% of total expenditures, and public safety comprises 11.5% of total general fund expenditures.

Community services, general government, and support services comprise 16.76% of total expenditures. Debt service expenditures comprise 11% of total general fund expenditures.

DEBT

Orange County maintains the highest credit quality with the following General Obligation Bond ratings:		
Moody's Investor Services: AAA	Standard & Poor's: AAA	Fitch IBCA: AAA

LONG-TERM DEBT	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
GOVERNMENTAL ACTIVITIES					
General obligation bonds	135,215,663	22,923,303	(16,686,403)	141,452,563	7,000,000
Installment notes payable	119,347,223	72,985,302	(21,634,444)	170,698,081	15,945,620
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 - LEOSSA	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	106,718,695	33,735,705	(3,264,056)	137,190,344	-
Long-Term Liabilities	389,233,042	141,830,402	(50,914,493)	480,148,951	26,615,947
BUSINESS-TYPE ACTIVITIES					
Installment notes	11,997,736	2,049,912	(1,439,153)	12,608,495	1,110,439
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	19,101,272	2,942,983	(1,888,596)	20,155,659	1,508,468

ASSETS

CAPITAL ASSETS	GOVERNMENT ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2019	2020	2019	2020	2019	2020
Land	15,124,298	15,124,298	1,619,059	1,676,176	16,743,357	16,800,474
Land Improvements	4,949,636	4,949,636	579,867	3,956,457	5,529,503	8,906,093
Water Resources—Lake Orange	481,624	481,624	-	-	481,624	481,624
Buildings	49,509,584	97,763,238	8,345,474	13,451,458	57,855,058	111,214,696
Leasehold improvements	1,791,115	3,411,653	-	-	1,791,115	3,411,653
Sewer Lines	-	-	1,931,317	3,707,847	1,931,317	3,707,847
Automotive Equipment	1,198,835	11,377,034	1,301,394	11,289,773	2,500,229	22,666,807
Office and Other Equipment	4,578,142	13,865,913	-	659,233	4,578,142	14,525,146
Construction in Progress	27,617,954	45,557,173	6,495,693	6,937,894	34,113,647	52,495,067
TOTAL	105,251,188	192,530,569	20,272,804	41,678,838	125,523,992	234,209,407



Orange County Soccer Center



Eubanks Road Waste & Recycling Center

COUNTY PRIORITIES

COMMUNITY SERVICES

- The Animal Services Department is responsible for Animal Control and Sheltering activities within Orange County.
- The Department of Environment, Agriculture, Parks and Recreation works to conserve and manage the natural and cultural resources of the County.
- Orange County Economic Development works in all aspects of business development, from site selection and financing to customized market research.



EDUCATION

- Public education in the County is provided by Chapel Hill-Carrboro City Schools and the Orange County School District.
- UNC-Chapel Hill and Durham Technical Community College help the County have much higher averages than North Carolina and U.S. in higher education completion.
- Orange County has a Bachelor's Degree attainment average of 28.9%, compared to the NC average of 20.5%, and the US average of 20.3%, Orange County also has a graduate degree or higher attainment average of 34.2%, which is far and above the NC and US Averages of 11.8%, and 12.8% respectively.

GENERAL GOVERNMENT

- The Board of County Commissioners meetings are open to the public.
- The County Manager's Office oversees all departments of Orange County to assure quality levels of service.

HUMAN SERVICES

- The Department on Aging offers older adults and caregivers programs and resources to meet all of their needs.
- Orange County's Child Support Services Department strives to obtain child support for children to strengthen a family's potential for economic independence and self-sufficiency.
- The Department of Social Services is the access point for most state and federal human services programs, providing service to residents in need of assistance.



PUBLIC SAFETY

- The Sheriff's Crime Intervention Unit aids and assists victims of crime in the County.
- Orange County's Detention Facility is a minimum security jail facility with a maximum capacity of 170 inmates.
- The Emergency Services Department provides help and support to the residents and visitors of Orange County during emergencies.

Orange County Mission Statement:

- Serve the residents of Orange County.
- Our residents come first.
- Depend on employees and volunteers.
- Treat all our residents and all employees with fairness, respect, and understanding.

COUNTY ACCOMPLISHMENTS

GOVERNMENT EFFICIENCY

- The County exercises fiscal discipline and strong management controls in managing the operating budget throughout the fiscal year.
- The County maintains a property tax collection percentage of approximately 99%, higher than the statewide average of 97%.
- Sales tax revenue, which is the second largest revenue source, increased by approximately \$300,000 from last year to \$28.1 million.
- The County continues to lead the state in per pupil funding for education.
- County debt service remains below 15% of general fund revenues.
- The unassigned fund balance is 15.6% of expenditures and provides a financial cushion to mitigate unforeseen changes in revenues.
- Strong financial management results in 'AAA' bond rating from all three major rating agencies.



Lake Orange



Whitted Building



Department of Social Services Meeting



West Campus Offices



Cedar Grove Community Center

GLOSSARY OF TERMS

The following terms are used in this report and are defined below:

Assets

What the County owns.

Bond referenda

A process whereby the voters of a governmental unit are given the opportunity to approve or disapprove a proposed new issue of municipal securities. An election is most commonly required in connection with general obligation or full faith and credit bonds.

Business-type activities

Activities financed through fees charged to external parties.

CIP

Construction-In-Progress.

Component units

Legally separate organizations for which the County is financially accountable.

Deferred inflow of resources

An acquisition of net position by the government that is applicable to a future reporting period.

Deferred outflow of resources

A consumption of net position by the government that is applicable to a future reporting period.

Sportsplex

Orange County's family-oriented fitness center.

Solid waste

Orange County department responsible for operating the landfill, the solid waste convenience centers, and recycling programs.

GASB

Governmental Accounting Standard Board.

General Revenues

General Revenues includes property and sales taxes. This is the primary form of funding for governmental funds.

Governmental activities

Activities generally financed through taxes and intergovernmental revenues. Includes primary governmental functions like public safety, public works, parks and recreation and general government.

Liabilities

What the County owes.

Local ordinances

Law usually found in a code of laws for a political division smaller than a state or nation.

Net position

Difference between assets and liabilities.

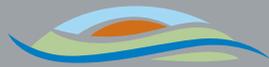
Program Revenues

Program Revenues are the County's main source of funding (inflow of assets) and include charges for services, operating grants and capital grants (state or federal).

SWMA

Solid Waste Management Authority.





ORANGE COUNTY
NORTH CAROLINA